

[ Act No. 2550., January 22, 1916 ]

**AN ACT MAKING THE FRIAR LANDS ESTATES AN OPERATING UNIT; PROVIDING FOR THE ADJUSTMENT OF THE FRIAR LANDS BONDS SINKING FUND; AND APPROPRIATING SUCH AMOUNTS AS MAY BE NECESSARY TO MAINTAIN THE FRIAR LANDS BONDS SINKING FUND AND TO PAY THE INTEREST ON THE FRIAR LANDS BONDS.**

*By authority of the United States, be it enacted by the Philippine Legislature, that:*

**SECTION 1.** The friar lands estates are hereby created an operating unit under the administrative control of the Director of Lands, and all assets and liabilities pertaining to the said estates are hereby transferred to the account "friar, lands estates." The said account shall be credited with all income resulting from the sale or rental of the real estate pertaining thereto, and with all incidental income or earnings connected with the operation of the estates. With the approval of the Legislature first had it shall be charged with the operating expenditures and with the cost of administration, repair, upkeep and improvement of said estates. The current surplus of said account shall be available for transfer to the friar lands bonds sinking fund as hereinafter constituted, and for transfer to the appropriation for payment of interest on the friar lands bonds.

SEC. 2. On February first, nineteen hundred and sixteen, and on each anniversary thereafter until date of maturity of the bonds, the friar lands bonds sinking fund shall be adjusted in such manner that the amount thereof shall equal the amount of an annuity of nineteen thousand three hundred and seventy-one pesos and thirty-three centavos for each million pesos of bonds outstanding, with interest at the rate of three and one-half per centum per annum, counting from date of issue of the bonds. Said adjustment shall be made through the friar lands estates account created by section one hereof:

*Provided,* That if at any time the current surplus pertaining to said account is insufficient for the purpose, the additional amount necessary to make the adjustments herein contemplated shall be deemed to be appropriated from the general surplus of the Insular Government. The friar lands bonds sinking fund shall be available for investment by the Insular Treasurer, with the approval of the Governor-General, by deposit at interest with qualified depositaries of Government moneys, and for loans for periods not exceeding ten years in any instance, to provincial and municipal governments for the construction of public works of a permanent character, and the payment of the provincial and municipal share of the cost of cadastral surveys made in accordance with the provisions of Act Numbered Twenty-two hundred and fifty-nine, as amended, or such proportion of the cost as may be assumed by a province under the provisions of section eighteen of Act Numbered Twenty-two hundred and fifty-nine, as amended, and for investment in such loans and securities as are authorized for the Postal Savings Bank by existing laws: *Provided,* That the rates of interest on all loans made by authority of this section shall be fixed by the Governor-General: *And provided further,* That no loans shall be made from this fund for such period that the same will extend beyond the period for redemption of the bonds for which this sinking fund is created: *And provided further,* That if any of said bonds shall be redeemed before the period of the maturity thereof said bonds may, in the discretion of the Governor-General, be