

[Act No. 2067, July 24, 1911]

AN ACT PROVIDING FOR THE INVESTMENT OF A PORTION OF THE ACCRETIONS TO THE GOLD-STANDARD FUND IN LOANS TO THE PROVINCES AND MUNICIPALITIES IN THE TERRITORY INHABITED BY MOROS OR OTHER NON-CHRISTIAN TRIBES, FOR CERTAIN PURPOSES, IN SECURITIES AUTHORIZED FOR THE INVESTMENT OF FUNDS OF THE POSTAL SAVINGS BANK, AND IN INTEREST-BEARING BONDS TO ASSIST IN THE CONSTRUCTION OF SUGAR CENTRALS, AND FOR OTHER PURPOSES.

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

SECTION 1. The Insular Treasurer is hereby authorized, with the approval of the Governor-General first had, to invest such portion or portions of the accretions to the gold-standard fund arising from interest and sales of exchange, as the population of the territory inhabited by Moros or other non-Christian tribes under the exclusive general legislative jurisdiction of the Commission, bears to tin.¹ total population of the Philippine Islands, as follows, any existing provision of law to the contrary notwithstanding, namely:

- (a) In loans for a period not exceeding live years to provinces inhabited by Moros or other non-Christian tribes and municipalities and townships thereof to aid in the construction of public works, particularly those of a revenue-producing character; or,
- (b) In any way in which the funds of the Postal Savings Bank may be invested, under the provisions of Act Numbered Fourteen hundred and ninety-three, as amended; or
- (c) In the purchase of interest-bearing first-mortgage bonds of any corporation organized for the purpose of constructing and operating sugar mills in the territory over which the Commission has exclusive general legislative jurisdiction, with such security and on such terms and conditions as may be required by the Governor-General: *Provided, however,* That the amount of bonds shall not exceed seventy per centum of the value of the property offered as security: *And provided further,* That before such purchase is made such corporation shall have contracts with the owners of not less than three thousand hectares of land suitable for the cultivation of sugar, obligating such owners to cultivate in sugar cane a reasonable area of their holdings and to deliver or sell to the corporation all the sugar cane produced on such land and to convey to the corporation such rights of way as the corporation may deem necessary for roads and railroads connecting the mill and the fields; that all of the owners of said lands shall be stockholders in the corporation, and that the corporation shall provide for a sinking fund to be deposited with the Insular Treasurer for the retirement of the bonds, the payments to which shall have preference over any dividends or profits of the stockholders and shall be sufficient for the total extinction of the debt in not exceeding thirty years; but until all bonds issued by such corporation shall be fully paid or money sufficient to pay the same safely deposited for that purpose with the Insular Treasurer, no dividend in excess of ten