

[Commonwealth Act No. 528, May 11, 1940]

AN ACT TO PROVIDE FOR THE ISSUE OF BONDS OF THE GOVERNMENT OF THE PHILIPPINES THE PROCEEDS OF SALE OF WHICH WILL BE USED FOR THE PURCHASE OF AN EQUIVALENT AMOUNT OF BONDS OF THE METROPOLITAN, WATER DISTRICT.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. The President of the Philippines is authorized to issue in the name and in behalf of the Government of the Commonwealth of the Philippines bonds in an amount equivalent to that authorized for the Metropolitan Water District to issue, the proceeds of the sale of which shall be used by said government for the purchase of an equivalent par amount of first mortgage bonds of the Metropolitan Water District to be issued for the purpose of obtaining funds for further extension of the water supply and sewerage systems of said district and for other purposes.

The bonds so authorized to be issued shall bear such date and be in such form as the President of the Philippines may determine and shall bear such rate of interest and run for such length of time as may be determined by said, official Both principal and interest shall be payable in Philippine currency or its equivalent in United States currency, in the discretion of the Secretary of Finance, at the Treasury of the Philippines., and the interest shall be payable at such periods as the President of the Philippines may determine. Said bonds shall be issued at times and in amounts to be determined by the President of the Philippines upon the recommendation of the Secretary of Finance, and they may be coupon bonds or registered bonds, convertible, in the discretion of the President of the Philippines, into either form, and in the case of the issue or transfer of any registered bonds, the same shall be registered in the Treasury of the Philippines. These bonds may be issued in series bearing different dates.

Said bonds shall be exempt from taxation by the Government of the Commonwealth of the Philippines or by any political or municipal subdivisions thereof, which fact shall be stated upon their face, in accordance with this Act, under which the said bonds are issued.

SEC. 2. The President of the Philippines is further authorized to sell said bonds through the Treasurer of the Philippines upon, such terms as in his judgment are most favorable to the Government of the Commonwealth of the Philippines and he shall deposit the proceeds of the sales thereof with the treasurer of the Philippines, to the credit of the National Treasury.

SEC. 3. The proceeds of the sale of the bonds issued by virtue of this Act are appropriated for the purpose of purchasing first mortgage bonds issued by the Metropolitan Water District under the provisions of Act Numbered Twenty-eight hundred and thirty-two, as amended, which bonds of the Metropolitan Water District, the provisions of existing law to the contrary notwithstanding, shall be sold at the same price, shall bear the same date, the same rate of interest, and shall run for the same period of time as the bonds issued by virtue of this Act. The Treasurer of the Philippines is authorized to purchase said bonds of the Metropolitan Water District in such amounts and at such times as may be determined by the Secretary