

[REPUBLIC ACT NO. 671, June 16, 1951]

AN ACT TO AMEND REPUBLIC ACT NUMBERED FOUR HUNDRED ONE ENTITLED "AN ACT TO CONDONE ALL UNPAID INTEREST ACCRUING FROM JANUARY FIRST, NINETEEN HUNDRED AND FORTY-TWO TO DECEMBER THIRTY-FIRST, NINETEEN HUNDRED AND FORTY-FIVE ON ALL OBLIGATIONS OUTSTANDING ON DECEMBER EIGHT, NINETEEN HUNDRED AND FORTY-ONE, AND TO APPLY PAYMENTS OF INTEREST PAID AFTER FEBRUARY TWENTY- EIGHT, NINETEEN HUNDRED AND FORTY-FIVE, TO THE PRINCIPAL OBLIGATION IF STILL OUTSTANDING, IN CERTAIN CASES."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section one of Republic Act Numbered Four hundred one is hereby amended to read as follows:

"SECTION 1. *Declaration of policy.*-Rehabilitation of those who have suffered the ravages of war constitutes a prime concern of the Government. In order to afford opportunities to debtors of the Government or Government owned or controlled corporations to rehabilitate themselves and to enable them to pay their prewar obligations under terms and conditions fair and just to them, it is the declared policy of the State that the condonation of interests contemplated herein be extended."

SEC. 2. Section two of Republic Act Numbered Four hundred one is hereby amended to read as follows:

"SEC. 2. All unpaid interest in favor of the Government or Government owned or controlled corporations accruing from the first day of January, nineteen hundred and forty-two to thirty-first day of December, nineteen hundred and forty-five, on all debts and obligations outstanding on the eighth day of December, nineteen hundred and forty-one, shall not be demandable and are hereby condoned in the following cases:

"(a) When the the debtor was unable to pay an obligation which became due and demandable, or interest which should have been paid during the said period because of the refusal of the latter to accept payment or because of the failure of the creditors to open business during the said period.

"(b) When the debtor was unable to pay an obligation which became due and demandable or interests which should have been paid, during the said period because he was prevented from doing so by reason of his activity in the resistance movement against the enemy or his