

[Act No. 3222, September 16, 1925]

AN ACT GRANTING AUTHORITY TO THE PROVINCE OF ILOILO AND CERTAIN MUNICIPALITIES THEREOF TO ISSUE BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR PERMANENT PUBLIC IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF BONDS OF THE INSULAR GOVERNMENT SECURED BY BONDS OF SAID PROVINCE AND MUNICIPALITIES, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Pursuant to the provisions of section eleven of the Act of Congress approved August twenty-ninth, nineteen hundred and sixteen, entitled "An Act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous Government for those islands," as amended by the Act of Congress approved May thirty-first, nineteen hundred and twenty-two, the Province of Iloilo and certain municipalities thereof mentioned hereinafter are hereby authorized to incur a bonded indebtedness for the construction of permanent improvements and for the repayment to the Insular Government of outstanding loans contracted for the construction of permanent improvements, in the following amounts: Province of Iloilo, for waterworks system and repayment of insular loan, one million one hundred twenty-one thousand pesos; municipality of Cabatuan, for waterworks system, eight thousand pesos; municipality of Iloilo, for waterworks system and repayment of insular loan, three hundred thirty-eight thousand pesos; municipality of Jaro, for waterworks system and repayment of insular loan, ninety-four thousand pesos; municipality of La Paz, for waterworks system and repayment of insular loan, eighty thousand pesos; municipality of Maasin. for waterworks system, three thousand pesos; municipality of Pavia, for waterworks system, twenty-five thousand pesos; municipality of Santa Barbara, for waterworks system and repayment of insular loan, one hundred four thousand eight hundred pesos; municipality of Dingle, for waterworks system, twenty thousand pesos; municipality of Pototan, for waterworks system and repayment of insular loan, one hundred fifty-nine thousand three hundred pesos; or a grand total of one million nine hundred fifty-three thousand one hundred pesos.

The Governor-General of the Philippine Islands is hereby authorized to issue, in the name and on behalf of the said Province and municipalities of Iloilo, the bonds covering said indebtedness.

The bonds so authorized shall be issued on the date to be designated by the Governor-General with the consent of the presiding officers of both Houses of the Legislature, and shall bear an annual interest to be determined also by the said officials, payable quarterly or semiannually in gold coin of the United States or its equivalent, in the discretion of the Insular Treasurer; and shall be redeemable' after ten years at the pleasure of the Provincial Board of Iloilo or the municipal councils of the municipalities abovementioned, and shall be payable after thirty years from date of issue in gold coin of the United States, or its equivalent in the discretion of the Insular Treasurer. The bonds may be coupon bonds or registered bonds, convertible into either form, shall be issued in convenient denominations,

and in the case of the registered bonds, the same shall be registered in the Office of the Insular Treasurer. at Manila where the principal and interest shall be payable.

SEC. 2. The Governor-General is further authorized to sell said bonds upon such terms as in his judgment are most favorable to the Province of Iloilo and its municipalities herein mentioned, or to assign and transfer said bonds to the Insular Government for and in consideration of the net proceeds of the sale of bonds of the Insular Government which shall be issued for this purpose in an equivalent amount, as provided in section four of this Act, and to deposit the proceeds of the sale or assignment with a duly authorized depository of the Government of the Philippine Islands. The proceeds of the sale or assignment to the Insular Government of said bonds shall be applied by the Insular Treasurer to the repayment of the outstanding indebtedness of the province and municipalities herein mentioned to the Insular Government, and the remainder shall be placed by him to the credit of the "Public Works Bond Fund, Province and nine municipalities' of Iloilo," and shall only be withdrawn therefrom for the purposes mentioned in this Act.

SEC. 3. Commencing with the fiscal year of the issue of these bonds and each succeeding year thereafter until said bonds shall be fully paid, there is hereby made a continuing annual appropriation to be paid out of any funds in the Insular Treasury not otherwise appropriated of such sums as may be necessary to meet the annual interest payments upon the provincial and municipal bonds issued in accordance with this Act, and to make up the sinking fund for the payment of said bonds. The sinking fund hereby created shall be annually adjusted in such manner that the total thereof at each annual due date of the bond issue shall be equal to the total of an annuity of one hundred ninety-three pesos and seventy-one centavos for each ten thousand pesos of bonds outstanding with interest at the rate of three and one-half per centum per annum. Such sinking fund shall be under the custody of the Insular Treasurer, who shall invest the same in such manner as the Secretary of Finance may approve in accordance with the law governing the investment of sinking funds, and shall charge all incidental expenses of such investment against said sinking fund.

SEC. 4. The Secretary of War is hereby authorized to issue in the name and on behalf of the Government of the Philippine Islands bonds in the amount of nine hundred seventy-six thousand five hundred fifty dollars, United States currency,. redeemable after ten years in the discretion of the Insular Government, and payable after thirty years. These bonds shall bear the date to be designated by him and shall be secured by the bonds of the Province of Iloilo and its nine municipalities hereby authorized, and assigned and transferred to the Insular Government, as *Provided* in section two hereof. The Secretary of War shall determine the form of said bonds, the rate of interest, and the period at which said interest shall be payable. The bonds may be coupon bonds or registered bonds, convertible in the discretion of the Secretary of War into either form, and in the case of the registered bonds, the same shall be registered in the Treasury of the United States where the principal and interest shall be payable in gold coin of the United States.

The Secretary of War is further authorized to sell said bonds upon such terms as in his judgment are most favorable to the Government of the Philippine Islands, and he shall deposit the proceeds of the sale thereof with the authorized depository or