

[Act No. 3051, March 11, 1922]

AN ACT AUTHORIZING THE ISSUE OF BONDS OF THE GOVERNMENT OF THE PHILIPPINE ISLANDS SECURED BY BONDS ISSUED BY PROVINCES, MUNICIPALITIES AND CHARTERED CITIES

*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. The Secretary of War is hereby authorized to issue in the name and behalf of the Government of the Philippine Islands bonds, secured by an equivalent amount of bonds issued by provinces, municipalities, and chartered cities of the Philippine Islands held and owned by the said Government of the Philippine Islands, in amounts which in each case shall be determined by the Council of State but in no case shall the total of said bonds exceed ten million dollars. The bonds so authorized to be issued shall bear such date and be in such form as the Secretary of War may determine and shall run for such time, not exceeding thirty years from the date of issue, and shall bear such rate of interest as he may determine. 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 issue or transfer of any registered bonds the same shall be registered in the Treasury of the United States. Both principal and interest of said bonds shall be payable in gold coin of the United States at the Treasury of the United States.

Said bonds shall be exempt from taxation by the Government of the United States, or by the Government of the Philippine Islands or of any political or municipal subdivision thereof, or by any State, or by any county, municipality, or other municipal subdivision of any State or Territory of the United States, or by the District of Columbia, which fact shall be stated upon their face, by virtue of section one of the Act of Congress approved February sixth, nineteen hundred and five, according to which Act, as well as in accordance with the Act of Congress approved on August twenty-ninth, nineteen hundred and sixteen, as amended, and in accordance with this Act the said bonds are issued.

SEC. 2. 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 sales thereof with the authorized depository or depositories of the Government of the Philippine Islands in the United States, to the credit of the Treasurer of the Philippine Islands.

SEC. 3. The sinking funds for the payment of bonds issued by said provinces, municipalities, and cities shall constitute the sinking fund for the payment of the bonds issued by virtue of this Act. Such sinking fund shall be under the custody of the Insular Treasurer who shall invest it, in such manner as the Secretary of Finance may approve, in accordance with the provisions of law governing the investment of sinking funds.

SEC. 4. An appropriation is hereby made of the proceeds a. of the sale of the bonds authorized to be issued by this Act for the purpose of paying for bonds issued by provinces, municipalities and cities and assigned and transferred to the