

## [ Act No. 2699, March 09, 1917 ]

### **AN ACT TO PROVIDE CERTAIN FACILITIES FOR THE ADMINISTRATION OF THE MANILA RAILROAD COMPANY.**

*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 Insular Treasurer is hereby authorized, upon the order of the Secretary of Finance and with the approval of the Governor-General, to lend to the Manila Railroad Company out of the unappropriated general funds of the Insular Treasury, for a period not exceeding ten years, the sum of two million pesos, to be secured by bonds of the Manila Railroad Company with interest at three per centum per annum, for the creation of an operating fund for said Manila Railroad Company and also for expenditure by the same for repairs, acquisition of equipment, and the construction and development of its properties. Said loan shall constitute a lien on the property of the Manila Railroad Company, subject only to prior liens thereon at the time such loan is made.

SEC. 2. Whereas the representative of the Government in the negotiations for the consummation of the purchase of the stock of the Manila Railroad Company has made a provisional agreement, subject to approval by the Philippine Legislature, to the effect that the railroad company may deposit four per cent bonds at par and accrued interest in lieu of cash, for the sinking fund, and that the Government may lend to the railroad company four per cent bonds at par and accrued interest in lieu of cash, in order to maintain such sinking fund, and that excess or additional payments may be made to the sinking fund in the same manner, and as this provisional agreement is materially to the advantage of both the Government and the Manila Railroad Company, the same is hereby ratified and confirmed.

SEC. 3. The Manila Railroad Company is hereby authorized to offer for sale at a fair market price its bonds upon the completion of the construction of each five-mile section of road, any existing provision of law to the contrary notwithstanding.

SEC. 4. The Manila Railroad Company is hereby exempted, until December thirty-first, nineteen hundred and eighteen, from all taxes of every name and nature, either municipal, provincial, or Insular, upon its capital stock, franchises, right-of-way, earnings, and upon all property owned or operated by it. Until December thirty-first, nineteen hundred and eighteen, no specific tax shall be collected on any article sold and delivered directly to the Manila Railroad Company.

SEC. 5. This Act shall take effect on its approval.

Approved, March 9, 1917.



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