

[Act No. 2592., February 04, 1916]

AN ACT AMENDING ACT NUMBERED TWENTY-FIVE HUNDRED AND FIFTY BY AUTHORIZING THE INVESTMENT TEMPORARILY OF THE FRIAR LANDS BONDS SINKING FUND IN LOANS TO THE MANILA RAILROAD COMPANY.

By authority of the United States, be it enacted by the Philippine Legislature, that:

SECTION 1. Section two of Act Numbered Twenty-five hundred and fifty is hereby amended to read as follows:

"SEC. 2. On February first, nineteen hundred and sixteen, and on each anniversary thereafter until date of maturity of the bonds, the friar lands bonds sinking fund shall be adjusted in such manner that the amount thereof shall equal the amount of an annuity of nineteen thousand three hundred and seventy-one pesos and thirty-three centavos for each million pesos of bonds outstanding, with interest at the rate of three and one-half per centum per annum, counting from date of issue of the bonds. Said adjustment shall be made through the friar lands estates account created by section one hereof: *Provided*, That if at any time the current surplus pertaining to said account is insufficient for the purpose, the additional amount necessary to make the adjustments herein contemplated shall be deemed to be appropriated from the general surplus of the Insular Government. The friar lands bonds sinking fund shall be available for investment by the Insular Treasurer, with the approval of the Governor-General, by deposit at interest with qualified depositaries of Government moneys, and for loans for periods not exceeding ten years in any instance, to provincial and municipal governments for the construction of public works of a permanent character, and the payment of the provincial and municipal share of the cost of cadastral surveys made in accordance with the provisions of Act Numbered Twenty-two hundred and fifty-nine, as amended, or such proportion of the cost as may be assumed by a province under the provisions of section eighteen of Act Numbered Twenty-two hundred and fifty-nine, as amended, temporarily in loans to the Manila Railroad Company to enable that company to comply with the provisions of paragraph two of the memorandum of agreement set forth in section one of Act Numbered Twenty-five hundred and seventy-four, all in accordance with the provisions of paragraphs four and five of said memorandum of agreement, and for investment in such loans and securities as are authorized for the Postal Savings Bank by existing laws: *Provided*, That the rates of interest on all loans made by authority of this section shall be fixed by the Governor-General except as herein otherwise provided: And provided further, That no loans shall be made from this fund for such period that the same will extend beyond the period for redemption of the bonds for which this sinking fund is created: *And provided further*, That if any of said bonds shall be redeemed before the period of the maturity thereof said bonds may, in the discretion of the Governor-General, be cancelled, or they may be held by the Insular Treasurer as an investment of the friar lands bonds sinking fund: *And provided further*, That said loans to the Manila Railroad Company shall be evidenced by a note or notes bearing interest at the rate of four per centum per annum, and secured in accordance with paragraph four of said memorandum of agreement set forth in section one of Act Numbered Twenty-five hundred and seventy-four."