

[Commonwealth Act No. 403, September 13, 1938]

AN ACT TO CREATE A REVOLVING LOAN FUND OF TEN MILLION PESOS FOR THE CONSTRUCTION OF PERMANENT PUBLIC MARKETS AND SLAUGHTERHOUSES AND WATERWORKS IN THE PHILIPPINES.

Be it enacted by the National Assembly of the Philippines:

Section 1. The sum of ten million pesos is appropriated proceeds of excise out of the proceeds of the coconut oil excise tax to constitute a revolving loan fund which, together with its Future accretions derived from its operating income shall chartered cities. be invested in loans to provinces, municipalities, and chartered cities for the construction of permanent public markets, slaughterhouses, and waterworks, including expenses for preliminary surveys and investigations, the acquisition of necessary sites or rights-of-way and the purchase of. water meters.

The administration and investment of this fund shall be vested in the National Loan and Investment Board created investment under Commonwealth Act Numbered Seven.

Sec. 2. There is created a National Markets and Water works Board composed of the Secretary of Public Works and Communications, as Chairman, and the Secretary of the Interior and the Secretary of Finance, as members. It shall be the duty and within the power of this board:

- a. To determine the advisability of the construction of projects to be financed from the fund herein created;
- b. To authorize provinces, municipalities, and chartered cities to contract loans from the fund herein created, said loans to be taken from time to time in such amounts as may be needed for projects, the construction of which are duly approved by the National Markets and Water- works Board, including amounts for preliminary surveys and investigations, for the acquisition of sites and the purchase of water meters;
- c. To issue such rules and regulations as may be necessary for the accomplishment of the purposes of this Act and for the proper administration and operation of the projects constructed in accordance with the provisions hereof;
- d. To fix a schedule of rates for services furnished by the waterworks, which rates shall not be subject to revision by the Public Service Commission; and
- e. To prescribe, with the concurrence of the National Loan and Investment Board and subject to the approval of the President of the Philippines, such conditions as may reasonably insure the reimbursement of the cost of construction of the projects herein authorized within a period of forty years, with interest of four *per centum per annum*.

Sec. 3. The total investment on any projects constructed under the provisions of this Act, together with interest at the rate of four *per centum per annum* on the unpaid balance thereof, shall be reimbursable out of the net income from the operation of such markets, slaughterhouses or waterworks as the case may be. In case the net