

AN ACT AUTHORIZING THE PROVINCE OF RIZAL AND TWELVE MUNICIPALITIES THEREOF TO ISSUE BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR PERMANENT IMPROVEMENTS.

Commonwealth Act No. 651, June 16, 1941

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Be it enacted by the National Assembly of the Philippines:

SECTION 1. The province of Rizal and the municipalities thereof, hereinafter named, are authorized to negotiate a loan to be used for the construction of school buildings, including- the acquisition of sites therefor, and other permanent improvements in the sum hereinafter set forth:

Province of Rizal: For the repair of the provincial jail, construction of high school buildings,--and other permanent public improvements — P297,000;

Municipality of Pasay: For the acquisition of school sites and playgrounds, construction of school buildings, drainage systems, and other permanent public improvements — P200,000;

Municipality of San Juan: For the acquisition of school sites and playgrounds, construction of an additional to the presidencia building, drainage systems, and other permanent public improvements — P70,000;

Municipality of Caloocan: For the acquisition of school sites, construction of school buildings, drainage systems, and other permanent public improvements — P85,000 ;

Municipality of Malabon: For the acquisition of school sites and construction of permanent public improvements — P40,000;

Municipality of Pasig: For the acquisition of school sites, repair of the presidencia building and construction of other permanent public improvements — P85,000;

Municipality of Paranaque: For the acquisition of school sites and construction of other permanent public improvements — P40,000;

Municipality of Marikina: For the acquisition of town center sites and construction of other permanent public improvements — P50,000;

Municipality of Mandaluyong: For the acquisition of presidencia and school sites and construction of the presidencia building — P45,000;

Municipality of Makati: For the acquisition of school sites and playgrounds and construction of other permanent public improvements — P60,000;

Municipality of Antipolo: For the construction of permanent public improvements — P10,000;

Municipality of Binangonan: For the construction of permanent public improvements — P8,000; and

Municipality of Tanay: For the construction of permanent public improvements — P10,000;

All the foregoing make a total sum of one million pesos.

At the request of and as per resolutions duly approved by the Provincial Board of Rizal and the municipal councils of the municipalities of Pasay, San Juan, Caloocan, Malabon, Pasig, Paranaque, Marikina, Mandaluyong, Makati, Antipolo, Binangonan, and Tanay, and on the recommendation of the Secretary of Finance, the necessary bonds for said loan shall be issued by the President of the Philippines, who is authorized to issue the same in the name and behalf of said province and municipalities. The bonds so authorized shall be in convenient denominations, in registered form, and shall be registered and transferable and payable in the office of the Treasurer of the Philippines in Manila. They shall have the same date, bear interest at the same rate, and be payable at the same time as the bonds of the Commonwealth of the Philippines authorized to be issued in section three of this Act. The interest rate on said bonds shall not be in excess of five per centum per annum.

SEC. 2. The President of the Philippines is further authorized to convey and transfer said bonds to the Commonwealth of the Philippines for a consideration, charging the same to the net proceeds of the sale of bonds of the Commonwealth of the Philippines issued in an equivalent amount, as provided in section three of this Act, and to deposit the proceeds of said conveyance with the Treasurer of the Philippines. The proceeds of the conveyance to the National Government of said bonds shall be credited by the Treasurer of the Philippines to the "Public Works Bond Fund, Province of Rizal and municipalities of Pasay, San Juan del Monte, Caloocan, Malabon, Pasig, Paranaque, Makati, Antipolo, Binangonan, and Tanay," and be withdrawn only for the purpose set forth in this Act, by order of the Secretary of Finance.

SEC. 3. The President of the Philippines is authorized to issue in the name and behalf of the Commonwealth of the Philippines, bonds to the amount of one million pesos for a term of thirty years secured by the bonds of the Province of Rizal and the municipalities of Pasay, San Juan del Monte, Caloocan, Malabon, Pasig, Paranaque, Marikina, Mandaluyong, Makati, Antipolo, Binangonan, and Tanay herein authorized and conveyed and transferred to the National Government as provided in sections one and two of this Act. The President of the Philippines shall determine the form of the National Government Bonds, the date of issue thereof, and the rates and dates of payment of the interest thereon, which rate shall not be in excess of five per centum per annum. The National Government bonds may be coupon bonds or registered bonds, in the discretion of the President of the Philippines, and shall be registered in the Treasury of the Philippines, where the principal and interest shall be payable in Philippine currency or its equivalent in the United States currency, in the discretion of the Secretary of Finance. The President of the Philippines is further authorized to sell said National Government bonds in the Philippines, only at public auction through the Treasurer of the Philippines, upon such terms and conditions as in his judgment are most favorable to the Commonwealth of the Philippines, and he shall deposit the proceeds of the sale thereof with the Treasurer of the Philippines, to the credit of the National Treasury,

SEC. 4. The proceeds of the sale of the National Government bonds authorized to be issued by this Act are appropriated for the payment of the bonds issued by the Province of Rizal and the municipalities of Pasay, San Juan del Monte, Caloocan, Malabon, Pasig, Paranaque, Marikina, Mandaluyong, Makati, Antipole, Binangonan, and Tanay, and conveyed and transferred as security for the National Government bonds above-mentioned, in accordance with sections one and two of this Act.

SEC. 5. The National Government and provincial and municipal bonds authorized to be issued shall be exempt from taxation by the Commonwealth of the Philippines or of any political subdivision thereof, approved March twenty-four nineteen hundred and thirty-four, otherwise known as the Tydings-McDuffie Law, which facts shall be stated upon their face.

SEC. 6. A sinking fund is created for the payment of the National Government bonds issued under the provisions

of this Act in such a manner that the total amount thereof at each annual due date of the bonds issued shall be equal to the total of an annuity of nineteen hundred and thirty-seven pesos and thirteen centavos for each one hundred thousand pesos of bonds outstanding, accrued at the rate of interest of three and one-half per centum per annum. Said fund shall be under the custody of the Treasurer of the Philippines who shall invest the same, in such manner as the Secretary of Finance may approve, in accordance with the provisions of Act Numbered Three thousand and fourteen which governs the investment of sinking funds, shall charge all the expenses of such investment to said sinking funds, and shall credit to the same the interest on investment and other income belonging to it.

SEC. 7. A standing annual appropriation is made out of any general funds in the National Treasury of such sum as may be necessary to provide for the sinking fund created in section six and for the interest on the National Government bonds issued by virtue of this Act. A further appropriation is made, out of the general funds in the National Treasury not otherwise appropriated, of a sufficient sum to cover the expenses of the issue and sale of the National Government and provincial and municipal bonds authorized by this Act. The National Government shall be reimbursed by the Province of Rizal and the municipalities of Pasay, San Juan del Monte, Caloocan, Malabon, Pasig, Paranaque, Marikina, Mandaluyong, Makati, Antipolo, Binangonan, and Tanay for the sums so disbursed by it for the sinking fund, interest, and expenses of the issue and sale of the bonds, within thirty days after the payment of said expenses by the National Government out of the general fund of the province and municipalities. In case the Provincial Board of Rizal and municipal councils of the above-mentioned municipalities shall fail to make such reimbursement, the Collector of Internal Revenue and the provincial treasurer of Rizal and municipal treasurers of said municipalities are authorized and directed, to withhold from the revenue of the said province and municipalities that may come into their possession an amount sufficient to make the reimbursement or any reimbursement above provided, and shall deposit said sum with the Treasurer of the Philippines, to the credit of the general fund of the National Government.

SEC. 8. The Director of Public Works shall have supervision of all work to be done and improvements to be made under the provisions of this Act, which works shall be begun as soon as the Treasurer of the Philippines shall certify that the funds herein provided for are available.

SEC. 9. This Act shall take effect upon its approval.

APPROVED, June 16, 1941.

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