AN ACT TO PROVIDE FOR THE ISSUE OF BONDS OF THE GOVERNMENT OF THE PHILIPPINE ISLANDS IN THE SUM OF THREE MILLION DOLLARS THE PROCEEDS OF THE SALE OF WHICH ARE TO BE USED FOR THE...

Act No. 3204, December 03, 1924

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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 in the amount of three million dollars the proceeds of the sale of which shall be used by said Government for the purchase of an equivalent par amount of first mortgage bonds of the Metropolitan Water District to be issued for the purpose of obtaining funds for the extension of the water supply and sewerage systems of said district.

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 bear such rate of interest and run for such length of time as may be determined by said official. Both principal and interest shall be payable in gold coin of the United States at the Treasury of the United States and the interest shall be payable at such periods as the Secretary of War may determine. Said bonds shall be issued at times and in amounts to be determined by the Governor-General upon the recommendation of the Secretary of Finance, and they 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.

Said bonds shall be exempt from taxation by the Government of the Philippine Islands or by any political or municipal subdivisions thereof, or by the Government of the United States, or by any State or territory of the United States, or by any county, municipality, or other municipal subdivision of any State or territory of the United State's, 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 proceeds of the sale of the bonds issued by virtue of this Act are hereby appropriated for the purpose of purchasing first mortgage bonds issued by the Metropolitan Water District under the provisions of Act Numbered Twenty-eight hundred and thirty-two, which bonds of the Metropolitan Water District shall bear the same date, the same rate of interest, and shall run for the same period of time as the bonds issued by virtue of this Act. The Treasurer of the Philippine Islands is hereby authorized to purchase said bonds of the Metropolitan

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Water District in such amounts and at such times as may be determined by the Secretary of Finance with the approval of the Governor-General, and at the same rate at which the Secretary of War sold the bonds issued by virtue of this Act.

SEC. 4. A sinking fund is hereby created for the payment of the bonds issued under the provisions of this Act, in such a manner that the total amount thereof at each annual due date of the bond issue shall be equal to the total of an annuity of such a sum, for each million pesos of bonds outstanding, as with interest at the rate of three and one-half per centum per annum shall be sufficient to retire said bonds at maturity. Such sinking fund shall be under the custody of the Treasurer of the Philippine Islands, who shall invest the same, in such manner as the Secretary of Finance may approve, in accordance with the provisions of law governing the investment of sinking funds.

SEC. 5. A standing annual appropriation is hereby made out of the general funds in the Insular Treasury, not otherwise appropriated, of such sums as may be necessary to provide for the sinking fund created in the next preceding section hereof and for the interest on the bonds issued by virtue of this Act. A further appropriation is hereby made out of any funds in the Insular Treasury, not otherwise appropriated, of a sufficient sum to cover the expenses of the issue and sale of the bonds issued by virtue of this Act: Provided, That the Metropolitan Water District shall reimburse the Government for such expenses within thirty days after the receipt of a statement of the same from the Insular Treasurer.

SEC. 6. The Metropolitan Water District, in lieu of the establishment of a sinking fund for the redemption of the bonds sold to the Government of the Philippine Islands under the provisions of this Act, shall obligate itself to pay into the Treasury of the Philippine Islands annually a sufficient sum of money to meet the net requirements of the sinking fund set forth in section four of this Act, anything in the provisions of Act Numbered Twenty-eight hundred and thirty-two to the contrary notwithstanding; and the Insular Treasurer is hereby authorized to apply payments so made, without further appropriation, to meet the requirements of the sinking fund established in section four hereof: Provided, That if the Metropolitan Water District shall fail, for any reason, to meet promptly the net requirements of the sinking fund set forth in section four hereof or to pay the interest on its bonds purchased by the Government of the Philippine Islands in accordance with the provisions of section three hereof, the treasurer of the City of Manila, so far as the City of Manila is concerned, and the provincial treasurer of Rizal, with respect to the municipalities comprising the rest of the district, are hereby authorized and directed thirty days after said default to proceed to retain out of the revenues of the City of Manila and of the municipalities included in the district, that may come into their possession as belonging to said city and municipalities, the sum necessary, as may be determined by the Insular Auditor, to meet any delinquencies in the sinking fund and interest requirements in this proviso above-mentioned and said officials shall deposit the sums so retained with the Insular Treasurer.

SEC. 7. This Act shall take effect upon its approval.

Approved, December 3, 1924.

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