

AN ACT AUTHORIZING THE PROVINCE OF ILOCOS SUR AND THE MUNICIPALITY OF VIGAN, IN SAID PROVINCE, TO ISSUE BONDS FOR THE PURPOSE OF RAISING FUNDS FOR THE CONSTRUCTION OF PERMANENT ...

Act No. 3278, November 30, 1926

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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. Pursuant to the provisions of section eleven of the Act of Congress approved August twenty-ninth, nineteen hundred and sixteen, entitled "An Act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those Islands," as amended by the Act of Congress approved May thirty-first, nineteen hundred and twenty-two, the Province of Ilocos Sur and the municipality of Vigan are hereby authorized to negotiate a loan to be used for the construction of permanent improvements, in the sum hereinafter set forth:

Province of Ilocos Sur, for the reconstruction of the provincial capitol of Vigan and a provincial high-school building in the same city, two hundred and sixty thousand pesos; municipality of Vigan, for sewers for said city, ninety thousand pesos, making a total of three hundred and fifty thousand pesos.

And the Governor-General of the Philippine Islands is hereby authorized to issue, in the name and behalf of the aforesaid province and municipality of Ilocos Sur, the necessary bonds for said loan. The bonds so authorized shall be issued and shall bear such date and such annual interest as the Governor-General shall determine, said interest to be payable quarterly or semiannually in gold coin of the United States or its equivalent, in the discretion of the Insular Treasurer, and shall be due and payable thirty years after date of issue, in gold coin of the United States or its equivalent, in the discretion of the Insular Treasurer. Said bonds shall be coupon bonds or registered bonds, convertible into either form and shall be issued in convenient denominations, and the registered bonds shall be registered and transferable in the office of the Insular Treasurer in Manila, where the principal and interest shall be payable: Provided, That upon the transfer of said bonds to the Insular Government, as provided in section two of this Act, the same shall have the same date, bear interest at the same rate, and fall due at the same time, as the bonds of the Insular Government issued by virtue of section four of this Act.

SEC. 2. The Governor-General is further authorized to sell said bonds upon such terms and conditions as may be most favorable to the Province of Ilocos Sur and the municipality of Vigan, or to assign and transfer said bonds to the Government of the Philippine Islands for a consideration, charging the same to the net proceeds of the sale of the bonds of the Government of the Philippine Islands issued in an equivalent amount, as provided in section four of this Act, and to deposit the proceeds of said sale or assignment with an authorized depository of the Government of the Philippine Islands. The proceeds of the sale or assignment to the Insular Government of said bonds shall be applied by the Insular Treasurer to the payment of the outstanding indebtedness of the Province of Ilocos Sur and the municipality of Vigan with the Insular Government, and the balance shall be credited to the "Public Works Bond Issue Fund of the Province of Ilocos Sur and the municipality of Vigan," and be withdrawn

only for the purposes set forth in this Act.

SEC. 3. Beginning with the fiscal year in which the bonds are issued, and each year thereafter until such bonds shall have been redeemed in their entirety, a standing annual appropriation is hereby authorized, out of any funds in the Insular Treasury not otherwise appropriated, of such sum as may be necessary to pay the annual interest accrued on the provincial and municipal bonds issued under this Act and to provide for a sinking fund for the payment of said bonds. The sinking fund hereby created shall be adjusted annually 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 one hundred and ninety-three pesos and seventy-one centavos for each ten 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 Philippine Islands, who shall invest the same, in such manner as the Secretary of Finance may approve, in accordance with the provisions of the Act governing the investment of sinking funds, and shall charge all the expenses of such investment to said sinking fund.

SEC. 4. The Secretary of War is hereby authorized to issue in the name and behalf of the Government of the Philippine Islands, bonds to the amount of one hundred and seventy-five thousand dollars, United States currency, for a term of thirty years, secured by the bonds of the Province of Ilocos Sur and the municipality of Vigan herein authorized and assigned and transferred to the Insular Government as provided in section two. The Secretary of War shall determine the form of the bonds and the rate and dates of payment of the interest thereon. The bonds may be coupon bonds or registered bonds, convertible, in the discretion of the Secretary of War, into either form, and, if registered bonds, shall be registered in the Treasury of the United States, where the principal and interest shall be payable in gold coin of the United States.

The Secretary of War is further authorized to sell said Insular bonds upon such terms and conditions as in his judgment are most favorable to the Government of the Philippine Islands, and he shall deposit the proceeds of the sale thereof with an 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. 5. The sinking fund provided for in section three of this Act shall constitute the sinking fund for the payment of the Insular bonds issued under the provisions hereof.

SEC. 6. The Insular, provincial, and municipal bonds hereby authorized to be issued shall be exempt from taxation by the Government of the United States, by the Government of the Philippine Islands or any political or municipal subdivision thereof, 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 States, 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. 7. An appropriation is hereby made out of the proceeds of the sale of the Insular bonds authorized to be issued by this Act, for the payment of the bonds issued by the Province of Ilocos Sur and the municipality of Vigan assigned and transferred as security for the aforesaid Insular Government bonds.

SEC. 8. An appropriation is hereby made out of the general funds in the Insular Treasury not otherwise appropriated, of a sufficient sum to cover the expense of the issue and sale of the Insular, provincial, and municipal bonds authorized by this Act, and for the payment of the interest on said Insular bonds and the expense of investing the sinking fund. The Insular Government shall be reimbursed by the Province of Ilocos Sur and the municipality of Vigan for said expense and for the sums disbursed for the formation, maintenance and investment

of the sinking fund provided for in section three of this Act, within thirty days after payment of said expenses and sinking fund by the Insular Government. The reimbursement shall be made in proportion to the indebtedness contracted by the Province of Ilocos Sur and the municipality of Vigan. In case the provincial board of Ilocos Sur and the municipal council of Vigan shall fail to make such reimbursement, the Collector of Internal Revenue and the provincial treasurer of Ilocos Sur are hereby authorized and directed to withhold from the revenues of said province and the municipality herein mentioned that may come into their possession an amount sufficient to make said reimbursement or any other reimbursement above provided and shall deposit said sum with the Treasurer of the Philippine Islands, to the credit of the general funds of the Insular Government.

SEC. 9. The Director of Public Works of the Philippine Islands shall have charge and exclusive control of all work to be done and improvements to be made under the provisions of this Act, which work shall be begun as soon as the Insular Treasurer shall certify that the funds herein provided for are available.

SEC. 10. This Act shall take effect on its approval.

Approved, November 30, 1926.

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