

AN ACT TO GUARANTEE AN INTEREST OR PROFIT TO ANY CAPITAL INVESTED IN THE ESTABLISHMENT OF A PULP AND PAPER FACTORY IN THE PHILIPPINE ISLANDS.

Act No. 2742, February 18, 1918

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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. With a view to aiding in the establishment and operation of a pulp and paper factory in the Philippine Islands, the Secretary of Commerce and Communications is hereby authorized to guarantee an interest or profit of not to exceed four per centum per annum upon any capital actually invested by the first person or corporation for said purpose, within the term of one year from and after the date on which this Act shall take effect.

SEC. 2. The guarantee referred to in the preceding section shall be granted under such conditions as the Secretary of Commerce and Communications may prescribe, including the following:

(a) That the applicant shall be a citizen of the Philippine Islands or of the United States, and if it be a corporation that it be organized by Philippine or American citizens, or both, and in accordance with the laws of the Philippine Islands.

(b) That the duration of the guarantee shall not exceed a term of three years which, in the discretion of the Secretary of Commerce and Communications, may be extended for another three: Provided, That as soon as the earnings of such person or corporation shall amount to a sum the average whereof shall be in excess of four per centum per annum, such person or corporation shall refund the excess to the Insular Government until all sums advanced by the same during the term of the guarantee shall be paid.

(c) That the guarantee provided for by this Act shall only be paid commencing with the first day on which the factory shall be completely equipped and begin operation.

(d) That the guarantee shall be granted only if the factory established shall, in the opinion of the Secretary of Commerce and Communications, be modern and adequate for the making of paper pulp and the manufacture of paper from raw materials of the Philippine Islands.

SEC. 3. The Secretary of Commerce and Communications is hereby authorized to require of the person or corporation applying for the benefits of this Act the necessary bonds and securities to assure the Government of the exact and faithful compliance of the terms of the guarantee.

SEC. 4. There are hereby appropriated, out of any funds in the Insular Treasury not otherwise appropriated, the necessary sums to be paid yearly until the termination of the obligation on the part of the Government, but the same shall not be set up on the books of the Insular Auditor until made available by warrant on the Insular Treasury issued by the Governor-General, on the recommendation of the Secretary of Commerce and

Communications.

SEC. 5. This Act shall take effect on its approval.

Approved, February 18, 1918.

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