applied to other appropriations already existing or which may hereafter be created out of any funds in the insular treasury not otherwise appropriated.

Section 2.—The Treasurer of Puerto Rico and the Auditor of Puerto Rico are hereby authorized and empowered to set up on the books, and they are directed to set up on the books, immediately upon the taking effect of this Act, the transfer referred to in Section 1 of this Act.

Section 3.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 4.—This Act shall take effect immediately after its approval.

Approved, December 7, 1942.

[No. 33]
AN ACT

TO AUTHORIZE AND DIRECT THE TREASURER OF PUERTO RICO TO REDEEM OR PURCHASE BONDS OR OTHER CERTIFICATES OF INDEBTEDNESS OF THE PEOPLE OF PUERTO RICO, IN THE MOST ADVANTAGEOUS FORM PRACTICABLE, BEING AUTHORIZED TO DEVOTE TO THESE OPERATIONS PAYMENTS FROM THE AVAILABLE SURPLUSES ON HAND BELONGING TO REGULAR FUNDS AND TO THE INSULAR EMERGENCY FUND, AND THE SURPLUSES OF SPECIAL APPROPRIATIONS OR ANY OTHER SOURCE OR ANYsaida: PERTENECIENTES A FONDO INSULAR DE EMERGENCIA, Y LOS SOURCES OF SPECIAL APPROPRIATIONS OR ANY OTHER SURPLUS OF ANY KIND; TO APPROPRIATE THE SUM OF EIGHT MILLION (8,000,000) DOLLARS, OR SUCH PART THEREOF AS MAY BE NECESSARY, FROM ANY AVAILABLE FUNDS IN THE INSULAR TREASURY, IN ORDER TO PAY FOR, OR TO REDEEM, SAID BONDS OR CERTIFICATES; TO DIRECT THE TREASURER TO REDEEM PREFERENTIALLY CERTAIN BOND ISSUES OR CERTIFICATES; TO AUTHORIZED HIM TO USE, WITH THE APPROVAL OF THE GOVERNOR OF PUERTO RICO, UP TO SEVENTY PER CENT (70%) OF THE BALANCE ON HAND OF SPECIAL OR TRUST FUNDS OR PART OF THE INSULAR EMERGENCY FUND IN ORDER TO INVEST IT IN THE ACQUISITION OF BONDS OR CERTIFICATES OF INDEBTEDNESS OF THE INSULAR GOVERNMENT, OF THE GOVERNMENT OF THE CAPITAL, OF THE MUNICIPAL GOVERNMENTS, OR OF THE UNITED STATES OF AMERICA; TO AUTHORIZE THE SALE OF SPECTRUMS OR THE CONTRACTING OF PROVISIONAL LOANS GUARANTEED BY THEM; TO DIRECT THE AUDITOR OF PUERTO RICO TO SET UP SPECIAL ACCOUNTS; TO DEPOSIT THE INTEREST FROM THE INVESTMENTS IN A SPECIAL FUND AND TO AUTHORIZE ITS USE; TO AUTHORIZE THE TREASURER OF PUERTO RICO TO CONSOLIDATE, CONVERT, OR REFINANCE ANY BOND ISSUES OR CERTIFICATES OF INDEBTEDNESS; TO BORROW MONEY AS AN ADVANCE OF TAXES; TO PLEDGE THE GOOD FAITH OF THE PEOPLE OF PUERTO RICO; TO ENTER INTO NEGOTIATIONS WITH THE MUNICIPALITIES, AND FOR OTHER PURPOSES.

WHEREAS, on July 1, 1942, the insular debt of The People of Puerto Rico amounted to a total of twenty-three million seven hundred thousand ($23,700,000) dollars on which interest is paid at an average rate of 4.372%.

[No. 33]
LEY

PARA AUTORIZAR Y ORDENAR AL TESORERO DE PUERTO RICO PARA QUE REDIMA O COMPRE BONOS U OTROS CERTIFICADOS DE DEUDA DEL PUEBLO DE PUERTO RICO, EN LA FORMA MÁS VENTAJOSA POSIBLE, QUE SUCURSALES DE SOCIEDADES ESPECIALES O CUALQUIER OTRO SOBRENT SERIES REQUIRAN DE CUALQUIER NATURALEZA, ASIGNANDO LA CANTIDAD DE OCHO MILLONES DE DÓLARES (8,000,000) DE CUALQUIERA FONDOS DISPONIBLES EN EL TESORO INSULAR O LA PARTE DE ELA QUE FUERE NECESARIA PARA PAGAR O REDIMIR DICHOS BONOS O CERTIFICADOS; ORDENANDOSELE AL TESORERO QUE REDIMA PREFERENTIAMENTE CIERTAS EMISIONES DE BONOS O CERTIFICADOS; CON LA APROBACIÓN DEL GOBERNADOR DE PUERTO RICO. USANDO HASTA EL SETENTA (70) POR CIENTO DEL BILANCE EN CAJA DE FONDOS ESPECIALES O EN FIDEICOMISO O PARTE DEL FONDO DE EMERGENCIA PARA INVERTIRLO EN LA ADQUISICIÓN DE BONOS O CERTIFICADOS DE DEUDA DE LOS Gobiernos Insulares, de la CAPITÁL, DE LOS MUNICIPIOS O DE ESTADOS UNIDOS DE AMÉRICA; AUTORIZANDO LA VENTA DE DICHOS VALORES O LA CONTRATACIÓN DE PRESTAMOS PROVISIONALES CON LA GARANTÍA DE LOS MISMOS; ORDENANDO AL CONTADOR DE PUERTO RICO A ABRIR CUENTAS ESPECIALES; PARA DEPOSITAR LOS INGRESOS QUE PRODUZCAN LAS INVERSIONES EN UN FONDO ESPECIAL Y AUTORIZAR SU USO; AUTORIZANDO AL TESORERO DE PUERTO RICO A CONSOLIDAR, CONVERTIR O REFINAR CUALQUIER EMISIONES DE BONOS O CERTIFICADOS DE DEUDA; PARA TOMAR DINERO A PRESTAMO COMO ANTI-CIPIO DE CONTRIBUCIONES; PARA EMPEÑAR LA BUENA FE DEL PUEBLO DE PUERTO RICO; PARA ENTRAR EN NEGOCIACIONES CON LOS MUNICIPIOS Y PARA OTROS FINE.
WHEREAS, the existing debt of the municipal governments of Puerto Rico on the same date of July 1, 1942, amounted to eighteen million four hundred and forty thousand six hundred and sixty (18,440,660) dollars on which interest is paid at an average rate of 4.553%;

WHEREAS, on the other hand, on the same date of July 1, 1942, The People of Puerto Rico had on hand a total of more than thirty-nine million (39,000,000) dollars deposited in banks, and on this amount it received interest only at the rate of one-eighth of one per cent a year;

WHEREAS, the terms of maturity, amortization installments, and general conditions of the contracts through which these debts were contracted, result, in the majority of cases, onerous and unfavorable to the interests of The People of Puerto Rico;

WHEREAS, the payment at maturity of the above-mentioned existing obligations will be difficult, since in many cases the taxes levied for the payment of the several obligations are not proving sufficient to meet them at their respective maturities, adequate sinking funds not having been created; The People of Puerto Rico having been obliged on many occasions before now, in order to protect the credit of The People of Puerto Rico, to use regular funds for the payment of instalments of the principal of and interest on these special debts; and if this condition is not corrected for the future, it will be confronted by the same problem of having to use large amounts of general funds for the purpose of protecting the credit and the good faith of The People of Puerto Rico and of its municipalities, the services to be rendered chargeable to general funds thus being limited;

WHEREAS, it is likewise evident that The People of Puerto Rico is suffering unnecessary losses in paying high rates of interest on the public debt when, on the other hand, it has in cash on hand large amounts of money on which it collects interest only at the rate of one-eighth of one per cent, money in cash which is practically frozen, without The People of Puerto Rico receiving any benefit from this freezing, save that represented by the insignificant interest which it receives;

WHEREAS, the Treasurer of Puerto Rico has made a study of this whole problem, which reveals that the partial payment of the

Por cuanto, la deuda existente de los gobiernos municipales de Puerto Rico para la misma fecha de julio primero de 1942 ascendía a dieciocho millones cuatrocientos cuarenta mil seisientos sesenta dólares ($18,440,660) sobre la cual se pagan intereses a un tipo promedio de 4.553 por ciento.

Por cuanto, por otra parte a la misma fecha de julio primero de 1942 El Pueblo de Puerto Rico tenía en caja un total de más de treinta y nueve millones de dólares ($39,000,000) depositados en los bancos y sobre esta cantidad percibía únicamente intereses a razón de un octavo del uno por ciento anual.

Por cuanto, los términos de vencimiento, plazos de amortización y condiciones generales de los contratos mediante los cuales se contrajeron estos deudas, resultan en la mayoría de los casos onerosos y desfavorables a los intereses de El Pueblo de Puerto Rico.

Por cuanto, el pago a su vencimiento de las obligaciones existentes, antes mencionadas, resultará difícil, ya que en muchos casos las contribuciones impuestas para el pago de las distintas obligaciones no resultan suficientes para afrontar las mismas a sus respectivos vencimientos; no habiéndose creado fondos de amortización adecuados (sinking funds); habiéndose visto obligado El Pueblo de Puerto Rico en muchas ocasiones antes de ahora, para proteger el crédito de El Pueblo de Puerto Rico, a utilizar fondos ordinarios para el pago de plazos de principal e intereses de estas deudas especiales; y el de no corregírse esta situación para el futuro se confrontará con el mismo problema de tener que disponer de grandes cantidades de fondos generales a los efectos de proteger el crédito y la buena fe de El Pueblo de Puerto Rico y de sus municipios, limitándose así los servicios a rendirse con cargo a fondos generales.

Por cuanto, es evidente asimismo, que El Pueblo de Puerto Rico está sufriendo pérdidas innecesarias, al pagar intereses a tipos altos sobre la deuda pública cuando por otro lado tiene en efectivo en caja grandes cantidades de dinero sobre las cuales cobra únicamente intereses a razón de un octavo del uno por ciento, dinero en efectivo que prácticamente está congelado, sin que reciba El Pueblo de Puerto Rico ningún beneficio de esta congelación, salvo el representado por estos insignificantes intereses que percibe.

Por cuanto, el Tesorero de Puerto Rico ha hecho un estudio de todo este problema, el cual revela que se hace necesario el pago parcial
public debt is necessary, as far as the general funds on hand, the surpluses of the several special funds, and the municipal sinking funds, permit; and the refinancing and conversion of the remainder of the debt, both insular and municipal, is likewise necessary, under conditions more favorable to The People of Puerto Rico, at lower interest, with amortizations more balanced and scientific and maturities more in accordance with the resources of The People of Puerto Rico and its municipalities,

Now, THEREFORE, BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.—The Treasurer of Puerto Rico is hereby authorized and directed to redeem or to purchase on the open market or wherever they may be offered for sale, bonds or other certificates of indebtedness of The People of Puerto Rico in the most advantageous form possible, and he may, if necessary for the redemption, pay additional interest or premiums and expenses in connection with those issues where, as they are not redeemable, this additional cost may be justified, for the purpose of saving interest for The People of Puerto Rico; and he is authorized to devote to these operations of payment all the available surpluses on hand belonging to regular funds and to the insular emergency fund, and the surpluses of special appropriations or any other surplus of any kind. There is also hereby appropriated from any available funds in the insular treasury the sum of eight million (8,000,000) dollars, or such part thereof as may be necessary, for the purpose of the payment for, or redemption of, the bonds or certificates of indebtedness of The People of Puerto Rico which have been previously authorized and ordered paid. The Treasurer of Puerto Rico is directed, for the purposes of the authorization given him by this Act, preferentially to pay or to redeem the following issues of the public debt of The People of Puerto Rico now existing: the issue of three hundred and thirty-seven thousand ($337,000) dollars with interest at four and one-half (4½) per cent, authorized by Act No. 4, of December 14, 1931, (redeemable at any time when interest is to be paid in accordance with the terms of the contract); the issues of six million (6,000,000) dollars authorized by Act No. 13, of August 29, 1923, at 5% (redeemable July 1, 1943), and of one million (1,000,000) dollars, at 5% (redeemable January 1, 1944, and authorized by Act No. 62 of July 16, 1921), that is, a total of seven million three hundred and thirty-seven thousand (7,337,000) dollars.
The Treasurer of Puerto Rico is likewise authorized to pay, with the approval of the Governor of Puerto Rico, any municipal bond or certificate of indebtedness when there is in the corresponding sinking fund sufficient balance to make this payment which the Treasurer of Puerto Rico may make on the most advantageous conditions possible, by paying additional interest, premiums, or expenses, provided the operation proves beneficial.

Section 2.—The Treasurer of Puerto Rico is hereby likewise authorized to use, with the approval of the Governor of Puerto Rico, up to seventy (70) per cent of the balance on hand belonging to special funds and to trust funds, as well as any part of the Insular Emergency Fund that he may consider reasonable, to expend such amounts in acquiring or purchasing bonds or any other certificate of indebtedness of the Insular Government of Puerto Rico, of the Government of the Capital, or of the municipalities of Puerto Rico, or of the Government of the United States of America. This investment shall be made in the most advantageous form possible, for the interest of the Government of Puerto Rico or of its municipalities, the Treasurer being authorized to pay additional interest or premiums, as well as such expenses as may be necessary in order to make these investments, and said bonds or certificate of indebtedness, either original or interim, so acquired or purchased, shall be considered as cash on hand belonging to the respective funds from which the disbursement is made. In making any operation of this nature, the Auditor of Puerto Rico shall set up accounts on his accounting books, headed: “Investments of Regular Funds,” “Investments of Insular Emergency Fund,” and “Investments of Trust Funds,” according to the kind of funds used to buy the bonds or certificates of indebtedness; accounts to which the Auditor shall charge the amounts invested by the Treasurer of Puerto Rico in bonds or certificates of indebtedness acquired or purchased with those funds, and shall erode to the “General Account of the Treasurer of Puerto Rico” the total of said amounts. The interest from these investments shall be deposited in a special fund known as “Interest on Investments” from which the Treasurer of Puerto Rico may pay additional interest or premium as well as all expenses incurred in the bond issues or certificates of indebtedness issued for the purpose of redeeming, consolidating, or refinancing the insular or municipal public debt, and from which he may purchase, amortize, or redeem any bond issue or certificates of indebtedness belonging to the Insular Government, to the Govern-

Queda autorizado asimismo el Tesorero de Puerto Rico, con la aprobación del Gobernador de Puerto Rico, para pagar cualquier bono o certificado de deuda municipal cuando en el fondo de amortización correspondiente hubiere balance suficiente para realizar este pago que podrá hacer el Tesorero de Puerto Rico en las condiciones más ventajosas posibles pagando intereses adicionales, primas o gastos, siempre que la operación resulte beneficiosa.

Sección 2.—Por la presente se autoriza asimismo al Tesorero de Puerto Rico, con la aprobación del Gobernador de Puerto Rico, para usar hasta el setenta por ciento (70%) del balance en caja perteneciente a fondos especiales y a fondos en fideicomiso (trust funds), así como cualquier parte del Fondo Insular de Emergencia que considere razonable, para invertirlos en adquirir o comprar bonos o cualquier otro certificado de deuda del Gobierno Insular de Puerto Rico, del Gobierno de la Capital o de los municipios de Puerto Rico o del Gobierno de los Estados Unidos de América. Esta inversión se hará en la forma más ventajosa posible para los intereses del Gobierno de Puerto Rico o de sus municipios, quedando autorizado el Tesorero para pagar intereses adicionales o primas, así como los gastos que fueren necesarios para hacer estas inversiones, y dichos bonos o certificados de deuda originales o provisionales así adquiridos o comprados serán considerados como efectivo en caja perteneciente a los respectivos fondos de donde se haya hecho el desembolso. Al efectuarse cualquiera operación de esta naturaleza el Contador de Puerto Rico deberá abrir cuentas en sus libros de contabilidad, denominadas: “Inversiones de Fondos Ordinarios”, “Inversiones del Fondo Insular de Emergencia” e “Inversiones de Fondos Especiales (Trust Funds)”, según la clase de fondos que se use para comprar los bonos o certificados de deuda; cuentas a las cuales el Contador cargará las cantidades invertidas por el Tesorero de Puerto Rico en bonos o certificados de deuda adquiridos o comprados con esos fondos y acreditará la “Cuenta General del Tesorero de Puerto Rico” con el importe de dichas cantidades. Los intereses que produzcan estas inversiones, serán depositados en un fondo especial denominado “Intereses sobre Inversiones” de donde el Tesorero de Puerto Rico podrá pagar intereses o primas adicionales, así como todos los gastos incurridos en las emisiones de bonos o certificados de deuda que se emitan con el fin de redimir, consolidar o refinanciar la deuda pública insular o municipal, y de donde podrá comprar, amortizar o redimir cualquier emisión de bonos, o certificados de deuda pertenecientes al Gobierno Insular, al Gobierno de la Capital, o a los gobiernos municipales.
ment of the Capital, or to the municipal governments. When the Treasurer of Puerto Rico decides to pay, redeem, consolidate, or purchase bonds or certificates of indebtedness in accordance with the provisions of this Act, he shall use the authorized balances of "Regular Funds", of the "Insular Emergency Fund", of special funds and trust funds, as provided in this Act, issuing in their stead, if necessary, interim certificates of indebtedness against said funds, until the corresponding bonds or original certificates of indebtedness are issued. Any bond or certificate of indebtedness, either original or interim, issued by the Treasurer of Puerto Rico under the provisions of this Act shall be signed by the Governor and by the Treasurer of Puerto Rico.

Section 3.—The Treasurer of Puerto Rico is hereby directed, empowered, and authorized to consolidate, convert, or refinance, with the approval of the Governor of Puerto Rico, any or all bond issues or certificates of indebtedness of The People of Puerto Rico, of the Government of the Capital, or of the municipalities of Puerto Rico, even in those cases where said bonds or certificates are in the hands of the Treasurer of Puerto Rico, as provided in this Act, issuing in their stead conversion, consolidation, or refinancing bonds, on the terms and conditions that the Treasurer of Puerto Rico may from time to time determine are most advantageous and convenient for the interests of The People of Puerto Rico; and to determine the form, date, and denomination of any new issue which may be made in accordance with this Act fixing the rate of interest and the payment thereof, amount of the issues, date of maturity, form and time of amortization, conditions of sale, right to, and conditions of, redemption of the bonds, amount of the premium thereon, if any, and any other provisions, conditions, or requirements that in his judgment he may deem necessary and advisable in order to carry out in the most advantageous manner any consolidation, conversion, or refinancing in accordance with this Act. The Treasurer of Puerto Rico is hereby likewise directed, authorized, and empowered to pay additional interest or premium and expenses of said bonds from the special fund "Interest on Investments" created by this Act or from any available funds in the insular treasury not otherwise appropriated. All the preceding provisions relative to the payment of the additional interest or premiums and the expenses of said bonds shall have the nature of continuous appropriations and shall constitute sufficient authority so that the Treasurer of Puerto Rico may make said payments without its being necessary to make new appro-

leagues
priations for that purpose. Said payments shall be made on warrants issued in accordance with the general provisions of the law relative to public disbursements.

When, in accordance with the provisions of this Act, the Treasurer of Puerto Rico has acquired bonds or certificates of municipal debt and keeps them on deposit as cash on hand, he may enter into negotiations with the municipalities for the purpose of reducing the rate of taxation on the municipal property, levied for the payment of said issues, through the corresponding reduction in the rate of interest to be paid by the municipalities on the debt, whether through the conversion of the debt or otherwise. He may likewise alter the installments of payment of the principal and interest and the maturity of the debt.

Section 4.—The Treasurer of Puerto Rico is hereby empowered and authorized to borrow, with the approval of the Governor of Puerto Rico, as an advance of taxes, such amounts as in his judgment may be necessary for the payment of the principal of and the interest on the insular or municipal public debt under the terms and conditions, rate of interest, and amortization installments, as the Treasurer of Puerto Rico may determine, and he is likewise empowered and authorized hereby to issue certificates of indebtedness as proof of said loans, at not less than their par value and in such form or forms and in such denominations as he may determine. Both the principal and the interest earned on the amounts borrowed by the Treasurer of Puerto Rico by virtue of this Act shall be paid from the proceeds of the taxes whose collection is anticipated, and if the amounts thus collected shall not be sufficient to pay any installment of the principal of, and the interest on, the certificates of indebtedness the issuance of which has been authorized, the Treasurer of Puerto Rico is empowered and authorized to pay, and he is hereby directed to pay, said obligations from any available funds in the insular treasury, which funds are hereby appropriated. The preceding provision in regard to the payment of the principal of, and the interest on, said debts and the certificates of indebtedness which are issued as proof thereof shall have the nature of a continuous appropriation and shall constitute sufficient authorization so that the Treasurer of Puerto Rico may make said payments without its being necessary that new appropriations be made for that purpose.

Section 5.—The Treasurer of Puerto Rico is empowered and authorized to sell, with the approval of the Governor of Puerto Rico
and when he believes it most advisable for the interests of The People of Puerto Rico or necessary in order to obtain funds, any investment that he may have in his possession belonging to "Regular Funds," "Insular Emergency Fund," "Special Funds," and "Trust Funds." When it may be necessary and he believes it advisable, he may likewise borrow money on the security of said investments. The Auditor of Puerto Rico shall make the necessary entries in his account books in order to record the corresponding operations.

Section 6.—Both the principal and the interest earned by the bonds or certificates of indebtedness issued by the Treasurer of Puerto Rico in accordance with the provisions of this Act shall be paid in currency of the United States of America, at the place that the Treasurer of Puerto Rico may previously designated, and they shall be exempt from the payment of all kinds of taxes, including income taxes.

Section 7.—The good faith of The People of Puerto Rico is hereby irrevocably pledged for the payment of the principal of, and the interest on, the bonds or certificates of indebtedness of the Insular Government which, in accordance with the provisions of this Act, the Treasurer of Puerto Rico may issue; which bonds or certificates of indebtedness shall be and shall have the nature of general obligations of the Insular Government of Puerto Rico and shall be paid with the resources and taxes authorized in the original Acts authorizing the contracting of the loans which have been the object of payment, consolidation, conversion, or refinancing; or with any available funds in the insular treasury, which funds are appropriated as continuous appropriations without its being necessary to make new appropriations for said purpose. The bonds or certificates of indebtedness that the Treasurer of Puerto Rico may issue in accordance with the provisions of this Act for the payment, consolidation, conversion, or refinancing of the municipal debt or the debt of the Government of the Capital shall constitute obligations of the municipalities or of the Government of the Capital, as the case may be, and shall be paid with the resources and taxes authorized by the original Acts or ordinances approved, authorizing the contracting of the loans which are to be the object of payment, consolidation, conversion, or refinancing, or from any funds belonging to said municipalities or to the Government of the Capital, as the case may be.

Section 8.—Nothing contained in this Act shall be interpreted in the sense of impairing the rights, obligations, or other commitments contracted upon the creation individually of the insular emergency

y cuando lo creyere más conveniente a los intereses de El Pueblo de Puerto Rico o necesario para obtener fondos, venda cualquier inversión que tenga en su poder perteneciente a los "Fondos Ordinarios", "Fondo Insular de Emergencia", "Fondos Especiales" y en "Fideicomiso" "(Trust Funds)". Podrá asimismo cuando fuere necesario y lo creyere conveniente, tomar dinero a préstamo con la garantía de dichas inversiones. El Contador de Puerto Rico hará los asientos necesarios en sus libros de contabilidad para asentar las operaciones correspondientes.

Sección 6.—Tanto el principal como los intereses que devenguen los bonos o certificados de deuda emitidos por el Tesorero de Puerto Rico de acuerdo con las disposiciones de esta Ley serán pagados en moneda corriente de los Estados Unidos de América, en el sitio que previamente haya designado el Tesorero de Puerto Rico y estarán exentos del pago de toda clase de contribuciones, incluyendo contribuciones sobre ingresos.

Sección 7.—Por la presente queda irrevocablemente empeñada la buena fe de El Pueblo de Puerto Rico para el pago de principal e intereses de los bonos o certificados de deuda del Gobierno Insular que de acuerdo con las disposiciones de esta Ley, emita el Tesorero de Puerto Rico; los cuales serán y tendrán carácter de obligaciones generales del Gobierno Insular de Puerto Rico, y se pagarán con los recursos e impuestos autorizados en las leyes originales autorizando la contratación de los empréstitos que hayan sido objeto de pago, consolidación, conversión o refinanciamiento; o con cualesquiera fondos disponibles en el Tesoro Insular, los cuales quedan asignados con carácter de asignación continua sin necesidad de hacer nuevas asignaciones para dicho objeto. Los bonos o certificados de deuda que el Tesorero de Puerto Rico emita de acuerdo con las disposiciones de esta Ley para el pago, consolidación, conversión o refinanciamiento de la deuda municipal o del Gobierno de la Capital, constituirán obligaciones de los municipios o del Gobierno de la Capital, según fuere el caso, y se pagarán con los recursos e impuestos autorizados por las leyes u ordenanzas originales aprobadas autorizando la contratación de los empréstitos o préstamos que han de ser objeto de pago, consolidación, conversión o refinanciamiento; o de cualesquiera fondos pertenecientes a dichos municipios o al Gobierno de la Capital, según fuere el caso.

Sección 8.—Nada de lo contenido en la presente Ley se interpretará en el sentido de menoscabar los derechos, obligaciones u otros compromisos contraídos al crearse individualmente el Fondo Insular
fund and special or trust funds, and the Treasurer of Puerto Rico shall see that at all times there are on hand sufficient funds to meet immediately the authorized disbursements that are to be made against said funds.

Section 9.—If the presidential approval is necessary for the effectiveness or validity of any part or provision of this Act, the Treasurer of Puerto Rico is empowered to request said approval of the President of the United States of America.

Section 10.—If any clause, paragraph, section, article, or part of this Act is declared unconstitutional by a court of competent jurisdiction, said decision shall not affect, prejudice, or invalidate the remainder of this Act, but its effect shall be limited to the clause, paragraph, section, article, or part of this Act so declared unconstitutional.

Section 11.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 12.—It is declared that a state of emergency exists which makes it necessary that this Act be in effect immediately, and therefore it shall take effect as soon as approved.

Approved, December 7, 1942.

[No. 34]

AN ACT

TO AMEND SECTIONS 3 (SUBSECTION 4), 4, 6, 7, 25, 27, 28 AND 38 OF ACT NO. 6, APPROVED JUNE 30, 1936, ENTITLED: "AN ACT TO PROVIDE REVENUES FOR THE PEOPLE OF PUERTO RICO BY LEVYING INTERNAL REVENUE TAXES ON ALCOHOLIC SPIRITS AND ALCOHOLIC BEVERAGES, AND FOR THE MANUFACTURE AND SALE THEREOF; TO REGULATE THE PRODUCTION, MANUFACTURE, IMPORTATION, AND SALE OF ALCOHOL, SPIRITS AND ALCOHOLIC BEVERAGES, AND TO PROVIDE LICENSE FEES THEREFOR; TO IMPOSE PENALTIES FOR VIOLATIONS HEREOF; TO PROVIDE FUNDS FOR THE ADMINISTRATION AND ENFORCEMENT OF THE ACT; TO REPEAL ACT NO. 115, APPROVED MAY 15, 1936, AND FOR OTHER PURPOSES", AS AMENDED BY ACT NO. 149 OF MAY 15, 1937; BY ACT NO. 217 OF MAY 15, 1938; BY ACT NO. 155 OF MAY 13, 1939, BY ACT NO. 20 OF JUNE 13, 1939, BY ACT NO. 152 OF MAY 6, 1941, AND BY ACT NO. 284 OF MAY 12, 1942, AND FOR OTHER PURPOSES.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—That Sections 3 (subsection 4), 4, 6, 7, 25, 27, 28 and 38 of Act No. 6, approved June 30, 1936, entitled: "An Act to provide revenues for The People of Puerto Rico by levying in-