

AUGUST 21, 1976

Office of the White House Press Secretary
(Vail, Colorado)

NOTICE TO THE PRESS

The President has signed H. R. 13359--Financial assistance for the Virgin Islands. The bill will

- authorize the government of the Virgin Islands to institute up to a 10 percent surcharge on future income taxes;
- direct the Secretary of the Interior to make grants for operations to the government of the Virgin Islands not to exceed \$8.5 million;
- authorize the Virgin Islands Legislature to issue revenue bonds without regard to the present limitation that public indebtedness may not exceed 10 percent of the aggregate assessed valuation of the taxable real property in the Virgin Islands;
- authorize the Secretary of the Interior, with the approval of the Secretary of the Treasury, to guarantee bonds issued by the Virgin Islands Legislature for capital improvements in an amount not to exceed \$61 million and subject to certain conditions--income from bonds so guaranteed would be subject to Federal income taxes;
- create a revolving fund within the Treasury for payment of expenses under the Act and authorize the Secretary of the Interior to borrow from the Treasury in the event of default on a guaranteed obligation and subsequently repay such Treasury borrowings from appropriations;
- provide that all bonds issued under this Act shall have priority for payment of principal and interest out of excise taxes collected by the U. S. Government for the government of the Virgin Islands with any guaranteed bond having first priority.

#