

AN ACT GRANTING THE MANILA RAILROAD COMPANY CERTAIN ADDITIONAL CONCESSIONS FOR RAILROAD LINES IN THE ISLAND OF LUZON AND GUARANTEEING INTEREST ON THE FIRST MORTGAGE BONDS OF SA...

Act No. 1905, May 19, 1909

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By authority of the United States, be it enacted by the Philippine Legislature, that:

SECTION 1. The Governor-General, on behalf of the Government of the Philippine Islands, is hereby authorized to execute the following supplementary concessionary contract or grant with the Manila Railroad Company, a corporation duly organized and existing under and by virtue of the laws of the State of New Jersey; and the said company is successors and assigns, is hereby authorized to locate, construct, equip, maintain and operate the additional lines of railway hereby authorized in accordance with the terms and conditions of the concessionary contract or grant set forth in Act Numbered Fifteen hundred and ten, as amended by Acts Numbered Fifteen hundred and sixty-six and Seventeen hundred and fourteen, and in accordance with this supplementary concessionary contract or grant herein set forth, as follows:

This instrument, made, executed, and entered into this day of, anno Domini nineteen hundred and nine, by and between the Philippine Government (hereinafter called the Government), of the one part, and the Manila Railroad Company, a corporation duly organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter called the Railroad Company) of the other part, witnesses, that: whereas by Act Numbered Fifteen hundred and ten of the Philippine Commission, duly enacted on the seventh day of July, in the year nineteen hundred and six, under and by virtue of section seventy-four of the Act of Congress of the United States, approved July first, nineteen hundred and two and the concessionary grant of duly executed by the Philippine Government pursuant to said Act and accepted by the Railroad Company as therein provided thereafter referred to as the concessionary grant or contract August twenty-eighth, nineteen hundred and six), the Philippine Government granted to the Railroad Company, its successors or assigns in perpetuity for certain lines of railway in the Island of Luzon in the Philippine Islands, as by reference to said Act and concessionary grant or contract will more fully appear; and

Whereas said concessionary grant or contract was amended by Act Numbered Seventeen hundred and fourteen of the Philippine Commission duly enacted on the eighteenth day of September, nineteen hundred and seven, and thereafter duly accepted by the Railroad company; and

Whereas, pursuant to said Act and concessionary grant or contract the Railroad Company has acquired and constructed certain of said lines, or a portion of them or of some of them, and is now engaged in the operation of the portion or portions so acquired or constructed; and

Whereas the Government deems it of great public and governmental necessity and utility that certain additional lines in the Island of Luzon should be constructed, equipped, and operated by the Railroad Company which the Railroad Company is not obligated by said Act or concessionary grant to construct, equip, and operate, viz:

(A) A line from the present line of the railroad to and into the port of Manila not exceeding approximately five

kilometers (three miles) in length;

(B) A line to Baguio from some point authorized on the existing railroad, with the right to use the Benguet Road in a manner subject to the approval of the Governor-General;

(C) A line from some point on the existing or authorized lines in the Province of Tayabas or La Laguna to Apat or some other port on the eastern coast of Luzon approved by the Governor-General, thence to some point on the authorized lines of the Railroad Company in the Province of Ambos Camarines to be approved by the Governor-General; in all an estimated distance of two hundred and seventeen kilometers (one hundred and thirty-five miles), thereby establishing a continuous railroad line from Manila to and into the Province of Albay : and.

Whereas the Railroad Company is willing to construct and operate such additional lines on the terms and conditions which are herein embodied as an amendment of, and supplement to, said concessionary grant or contract pursuant' to section seventy-four of said Act of Congress of the United States, approved July first, nineteen hundred and two, and sections four and five of the Act of Congress of the United States approved February sixth, nineteen hundred and five.

In consideration thereof, it is conceded and granted by the Government of the one part, and contracted and agreed by the Railroad Company, for itself and for its successors and assigns, of the other part, as an amendment of, and a supplement to, said

concessionary grant or contract of August twenty-eighth, nineteen hundred and six, as follows:

1. the Railroad company, and its successors and assigns, are hereby authorized by the Government to construct, maintain, and operate in perpetuity lines of railway in the Island of Luzon, in the Philippine Islands, in addition to those specified and authorized in and by said concessionary grant and contract of August twenty-eighth, nineteen hundred and six, generally and approximately as follows, and subject to such variations and extensions not exceeding forty and twenty-five hundredths kilometers (twenty-five miles) each, as may be approved by the Governor-General and ratified by the Secretary of War:

(A) A line from the Present line of the railroad to and into the port of Manila not exceeding approximately five kilometers (three miles) in length;

(B) A line to Baguio from some point authorized on the existing railroad, with the right to use the Benguet Road in a manner subject to the approval of the Governor-General;

(C) A line from some point on the existing or authorized lines in the Province of Tayabas or La Laguna to Apat or some other port on the eastern coast of Luzon approved by the Governor-General, thence to some point on the authorized lines of the Railroad Company in the Province of Ambos Camarines to be approved by the Governor-General; in all an estimated distance of two hundred and seventeen kilometers (one hundred and thirty-five miles), thereby establishing a continuous railroad line from Manila to and into the Province of Albay.

The Railroad Company may, with the consent of the Governor-General in writing, ratified by the Secretary of War, construct any branch lines, in its judgment desirable, for the purpose of reaching traffic points within a reasonable distance of the main lines and additional railways: Provided, however, That the cost of construction of such branch lines shall not be included in the cost of as defined in paragraph five hereof.

Surveys on and along the said several additional lines shall be commenced by the Railroad Company within sixty days after written demand therefor shall be made to the Railroad Company by the Governor-General. Detailed reports of the definite plans, surveys, and specifications, accompanied by complete maps and etc. profiles of the character and kind in respect of such construction and equipment directed by the Governor-General, and embodying of the cost of such construction and equipment shall in writing to the Governor-General within twelve said demand, or at such later time as may be the Governor-General or Secretary of War;" and Final route after the submission thereof to the Governor shall fix and determine the final route also estimates be submitted months

after permitted by within two months General the latter plantially in accordance with the routes as above generally described.

2. Subject as hereinafter mentioned, the paragraphs of said concessionary grant or contract of August twenty-eighth, nineteen hundred and six numbered two, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, and sixteen shall be applicable to the paid additional lines of railway with the same force and effect as if paid additional lines had been included in the said concessionary grant or contract as lines for which concessions were therein and thereby granted : excepting that the time within which the lines to be constructed under said concessionary grant or contract of August twenty-eighth, nineteen hundred and six, and this instrument, is hereby extended for five years beyond the time extension, fixed by said concessionary grant or contract of August twenty-eighth, nineteen hundred and six.

3. for the purpose of the provisions hereinafter contained, the Company specified and described in contract of August twenty-eighth, nineteen hundred and six, and in this instrument, shall be divided into two separate and distinct systems, capable of separate maintenance and operation as such, one to be known as the "Northern Lines" and other as the "Southern Lines," which systems all be constructed (in so far as they are now unconstructed), maintained, and operated separately and independently of each other, and each of which shall have its own separate and distinct books and accounts embracing construction, maintenance, operation, earnings, and expenses, to "the end that, though owned by the same company, the two systems shall be constructed, maintained, and operated, and their books and accounts be kept, as, if owned by separate and independent companies.

(a) The system to be known as the "Northern Lines" shall consist of the following lines of railway, constructed and to be constructed, viz:

"NORTHERN LINES."

A. (1) The Manila and Dagupan Line, commencing at main terminal at Tondo, in the city of Manila, and running thence north to Dagupan.

(2) The Cabanatuan Extension, with initial point at Bigaa and running thence in a northeasterly direction to Cabanatuan.

(3) The Manila and Antipolo Line, with initial point at main terminal at Tondo in the city of Manila, and running from Manila east to Taytay, and from Riosnrio to Mariquina.

(4) The Stotsenberg Branch, with initial point at Dau and running thence west to military post, at Stotsenberg.

(5) Port Line, Manila, with initial point at: main terminal, Manila, and running thence south to the MnoUe de la Reina.

(6) Port Line, Dagupan, with initial point at Dagupan Station, and running thence west to and along River Horno.

B. The line commencing at Dagupan on the Manila and Dagupan Line and running thence along the west coast to San Fernando de La Union, with a spur from the town west to the port of San Fernando.

C. The line commencing at San Fabian and running thence in a northeasterly direction to Camp Number One.

D. The line commencing at Paniqui, in Tarlac Province, and running thence in a northeasterly direction to Tayug, in the Province of Pangasinan.

E. The line commencing at San Miguel and running thence east to La Paz.

F. The line commencing at Dan and running thence east to San Pedro Magalang.

G. The line commencing at San Fernando and running thence in a westerly direction to Bacolor and Florida-Blanca.

H. The line commencing at San Fernando and running thence in an easterly direction to Arayat.

I. The line commencing at Mariquina on the Manila-Antipolo Line, Rosario-Mariquina Branch, and running thence to Montalban.

J. The line commencing at Taytay on the Manila and Antipolo Line and running thence to Antipolo.

And any branches from any of the above lines of the "Northern Lines" that may be constructed under the concessionary grant or contract of August twenty-eighth, nineteen hundred and six.

(b) The system to be known as the "Southern Lines" shall consist of the following lines of railway, constructed and to be constructed, viz:

"SOUTHERN LINES."

A. The line commencing at a point on the Manila-Antipolo line of Santa Mesa Station, about six and forty-four hundredths kilometers (four miles) from the main terminal at Tondo, in the city of Manila, running thence in a southerly direction across the River Pasig to Paco, and thence up to and along the west shore of the Laguna de Bay to Calamba; thence south to Luta; from this point running in an easterly direction to San Pablo and Lucena; and from this town or some other point on the existing or authorized lines in the Province of Tayabas or La Laguna to Apat or some other port on the eastern coast of Luzon approved by the Governor-General, thence to some point on the authorized line's of the railroad company in the Province of Amboyna Camarines to be approved by the Governor-General; in all an estimated distance of two hundred and seventeen kilometers (one hundred and thirty-five miles), and thence south to Nueva Caceres; thence to Pili, Iriga, Albay, and port of Legaspi; and thence along the west shore of the Bay of Albay, and thence skirting the Mayon Volcano to the town and port of Tabaco the terminus of the line, thereby establishing a continuous railroad line from Manila to and into the Province of Albay.

B. The line commencing at Paco, about nine and sixty-five hundred kilometers (six miles) from the main terminal in Manila and running in a southwesterly direction along the bay shore to Cavite and Naic, Province of Cavite.

C. The line commencing at Calamba, and running in an easterly direction to Magdalena and Santa Cruz.

D. The line commencing at Luta and running thence south to Batangas and Bauang with the following spurs therefrom:

- (1) Balangas Port Line;
- (2) Spur to Camp McGrath.

E. The line from the present line of the railroad to and into the port of Manila not exceeding approximately five kilometers (three miles) in length.

F. The line to Baguio from some point authorized on the existing railroad with the right to use the Benguet Road in a manner subject to the approval of the Governor-General.

And any and all branches from any of the above lines of the "Southern Lines" that may be constructed under the concessionary grant or contract of August twenty-eighth, nineteen hundred and six or this instrument.

It is understood that as certain of the foregoing lines of railway have not yet been surveyed or definitely located and constructed, each of the said lines as definitely located and constructed shall be deemed to be covered by the above description thereof the main terminal at Tondo and the shops at Caloocan are to be Terminal and shops maintained and operated jointly by the two systems, the expenses to operate be distributed between them on an equitable basis according to approved railroad practice, and there shall be charged to the "Southern Lines" a reasonable yearly sum for the use of and access to such terminal and shops proportionate to the use thereof by the

"Southern Lines" to the total use thereof by all lines. In case of the parties hereto to agree as to the foregoing charges, the shall be determined by the Secretary of War.

4. In consideration of the agreement herein contained of the Rail road Company to build, construct, and operate the additional lines bonds," hereinhelore mentioned, the Government under and in accordance with the terms and conditions of section four of the Act of Congress approved February sixth, nineteen hundred and five, hereby guarantees until maturity of the bonds hereinafter described, the due and punctual payment by the Railroad Company of interest (and in the event of default of the Railroad Company it will itself pay the same upon demand) at the rate of four per centum per annum upon bonds which shall be first lien bonds with respect to the lines oi railway herein designated the "Southern Lines" to be issued by the railroad Company under and in conformity with this instrument of the said Act of Congress to an amount of ninety-five per the total cost of the construction of the unconstructed portion of such railways and appurtenances hereinbefore designated the 'southern Lines" completed in accordance with the approved, definite plans hereinafter mentioned, and of the equipment of such lines designated the "Southern Lines"" hereafter acquired, and as, such total cost is determined in paragraph five hereof, and also, to the amount of the actual cost of construction of the heretofore constructed portion of such railways and appurtenances, and of the equipment thereof in so far as it has been heretofore acquired, exclusive of contractors" or construction profits, and to be delivered under the terms, conditions and circumstances, and at the time, prescribed by said section four of said Act of Congress approved February sixth, nineteen hundred and five: Provided, however, Government that the annual contingent liability of the Government under said guarantee shall not at any time exceed the amount available therefor under the limitations of section four of the said Act of Congress approved February sixth, nineteen hundred and five, over and above the annual contingent liability of the Government under its guaranty contained in the concessionary contract or grant to the Philippine Railway Company authorized by Act Numbered Fourteen hundred and ninety-seven of the Philippine Commission, unless the Government shall be hereafter authorized to increase the amount of its annual contingent liability under guarantees authorized by said fourth section of said Act: the intention being that the annual contingent liability of the Government under its guaranty herein contained shall, up to the total amount now authorized (in the absence of such further authority), be limited only as to its amount by the difference between one million two hundred thousand dollars and the annual contingent liability under its said guaranty in aid of the Philippine Railway Company.

The said bonds shall mature thirty years from the date of the enactment of the Act authorizing this instrument and payment thereof shall not be extended without the consent of the Government.

The Railroad Company covenants and agrees duly and punctually to pay the interest upon all bonds the interest upon which may be so guaranteed by the Government and as such interest becomes due and payable to the extent that there shall he earnings of such lines herein designated the "Southern Lines"" applicable to the payment thereof as hereinafter provided, and in all respects duly and punctually to fulfill the covenants and conditions of the mortgage securing such bonds other than the covenant and condition with respect to the payment of interest on such bonds; and that all bonds in respect of which the Government shall so guarantee interest shall be secured by,an absolute first lien, evidenced by mortgage! or deed of trust, upon the railroads in respect of which said bonds may be so issued, to wit, the railroads herein designated the "Southern Lines" and the equipment, franchises (including the said concessionary grant or contract of August twenty-eighth, nineteen hundred and six, and this instrument, so far as they relate or pertain to said railroads herein designated the "Southern Lines") and other property, real, personal and mixed, forming a part of, or appertaining to, said railroads herein designated the "Southern Lines." then owned and thereafter to be acquired, and the earnings, rents, revenues, and income thereof.

Appropriate instruments sufficient in law to secure more effectually any liens on the lines designated the

"Southern Lines" existing or arising under any provisions of the said Acts of the Congress of the United States and this instrument in favor of the Government, under or by reason of the making of said guaranty and of any payment made or to be made thereunder, subject to

said first lien bonds and the mortgage securing the same, shall be duly executed and delivered to the Government or to any trustee by it designated. But failure to execute such instruments shall not impair or affect the lien or the remedy of foreclosure secured by said Acts of the Congress of the United States, this instrument, or other instruments.

It is expressly understood and agreed that the Government, although obligated by its said guaranty of interest, shall not in any sense or to any degree be obligated for the payment of any part of the principal of any bond respecting which it may so guarantee the payment of interest, nor for the payment of any other bond, indebtedness, contract liability, or obligation whatsoever of the Railroad Company, and that any such bonds shall not be deemed for any purpose whatsoever, to be the bonds or obligations of the Government or be deemed issued by said Government or under its authority.

After the construction and equipment of the railways herein designated the "Southern Lines" in accordance with the foregoing provisions and all others of this contract of guaranty, the Railroad Company shall apply the gross earnings of said railways herein designated the "Southern Lines" as follows: First, to the necessary operating expenses, including the sums chargeable under the last paragraph of subdivision three hereof and also such a proportion of the reasonable expenses of the corporation common to the "Northern Lines" and "Southern Lines" as the wheelage of the "Southern Lines" bears to the total wheelage of both the Southern and Northern Lines, and the amounts due the Government with respect to said "Southern Lines" under paragraph twelve of said concessionary grant or contract of August twenty-eighth, nineteen hundred and six, as hereby amended; second, to the necessary and ordinary repairs of said "Southern Lines" and their equipment; third, to such betterments and extraordinary repairs of said "Southern Lines" and their equipment as may be first by the Governor-general of the Philippine islands, in writing, expressly consented to; fourth, to the payment of the interest on the bonds the interest on which to any extent shall have been guaranteed by the Government under this contract. The earnings upon the business done partly over the "Northern Lines" and partly over the "Southern Lines" shall be divided upon a basis satisfactory to the Governor-General.

The substance and form of the bonds, mortgages, deeds of trust, notes, guaranties, and other instruments herein provided for and the compliance of the Railroad Company with the requirements of this instrument shall be approved by the Secretary of War.

5. For all purposes hereunder and for the determination of the amount of first lien bonds in respect of which interest will be guaranteed as hereinbefore provided, the actual cost of construction and equipment of the railways herein designated as the "Southern Lines" in so far as they or any of them are now unconstructed or unequipped in whole or in part, shall be deemed to be the actual cost, first, of all necessary land for buildings, right of way, and railway purposes; second, of all materials and labor including transportation of employees, tools, implements, plant, and animals used in such construction and equipment, marine and fire insurance upon any such material, machinery, and so forth, used in and expended upon or in aid of the construction of the roadbeds, tracks, and bridges, and in and about the building of telegraph, telephone, and electrical transmission lines, sidings and switches, depots, terminals, round-houses, turn-tables, water stations, repair and machine shops, freight houses, docks, wharves, warehouses, waiting rooms, dining rooms, hotels and employee boarding houses, and all other appropriate buildings and structures necessary for the construction, maintenance, and operation of said railway lines on plans approved by the Governor-General: third, of all expenses of engineering, surveying, and supervising in the Philippine Islands both of the Railroad Company and of the Government connected with the

building of said- rail roads herein designated the "Southern Lines" and all legal expenses connected, with the acquiring of land therefor, such expenses of the Government to be borne and paid "by the Railroad Company upon demand of the Government; fourth, of all expenses and outlays necessarily incurred by the Railroad Company, or damages done to the property of the Railroad Company forming a part of said "Southern Lines," arising from acts of rebellion, ladronism, outlawry, earthquakes, or through action of the elements or other accidents or acts of God; fifth, of all equipment of every name and nature necessary for the operation of the railway lines herein designated the "Southern Lines," including locomotives, passenger and freight ears, wrecking cars, and of all tools, implements, and machinery for the construction, operation, and repair of said railway lines; sixth, every other outlay and expense of whatever character and wheresoever made, actually incurred in and about the construction and equipment of the lines of railway herein designated the "Southern Lines" and whether included in any of the specific items of cost herein enumerated or not; seventh, interest, at four per centum per annum upon all sums expended for such construction and equipment from the respective dates at which outlays are made until the issue and delivery in aid of such construction and equipment, of the bonds respecting which the Government will so guarantee interest, less any net earnings arising from its operation of any portion of said lines herein designated the "Southern Lines" during construction; eighth, for the contractors' profit, and such general expense outside of the Philippine islands as it: may be necessary for the Railroad Company to incur in connection with such lines herein designated the "Southern Lines," preliminary to the acceptance of this contract, there shall be added as a part of said total cost of construction to be determined as above an amount equal to fifteen and one-half per centum of such actual total cost: Provided, That the cost of materials, supplies, and equipment shall be the actual first cost thereof to the Railroad Company or its contractor or contractors delivered on the ground where it is to be used, and that the cost of labor, superintendence, and administration shall be the actual wages, salaries, and fees paid in good faith by the Railroad Company or its contractor or contractors, and shall not include any commissions, allowances, profits, rebates, or drawbacks to any third person.

All plans for work to be hereafter done hereunder or under said concessionary grant or contract of August twenty-eighth, nineteen hundred and six, upon or in connection with said railways herein designated the "Southern Lines" shall be subject to the approval of the Governor-General, the work itself shall be subject to his inspection, all bills and construction accounts shall be subject to the audit of the Government, and the employment of labor in or about such construction shall be at all times under the reasonable direction of the Governor-General of the Philippine Islands.

To determine the amount of first lien bonds in respect of which interest will be guaranteed as hereinbefore provided to be issued and delivered on account of the amount heretofore expended on the construction and equipment of the railways, or any part or parts thereof, herein designated the "Southern Lines," such amount shall be deemed to be the amount; actually expended under the various heads hereinabove in this paragraph particularly specified, with the exception of that numbered eight, it being understood that contractors' or construction profits are not to be included.

6. The Government through the auditing, engineering, and rail-road and by such other agencies as may be fixed e power, by monthly or other regular inspection of the books, vouchers and other papers of the railways "Southern Lines" or by special inspection if in its judgment necessary to keep itself advised of the financial conditions and operations of the Railroad Company with respect to s designated the "Southern Lines" to enable it to exercise the powers vested in the Government in respect of this contract, and specially to the statements in the financial reports of the Railroad company as to the construction, maintenance and operation of said railways herein designated the "Southern Lines" with proper enforcement and execution of the obligations of the Railroad Company with respect thereto as contained in this instrument.

In making any refolds to the Government or any of its officers or Bureaus that may be required by law from time to time the Railroad Company shall make a separate and independent report as to each of the systems of railways herein designated the "Northern Lines" and the "Southern Lines."

7. If the Railroad Company make breach of any of the conditions hereof, or of any of the obligations by it assumed hereunder in respect the construction of said railways herein designated the "Southern Lines," and shall allow the same to continue for upwards of four months after notice in writing from the Government to the Railroad Company, then in such case at any time thereafter the Government may at its option and at the cost and expense of the Railroad Company do and perform any and all acts and things which it may deem useful and necessary to insure the construction, equipment, and completion of the railways herein designated the "Southern Lines" or the fulfillment of such conditions or obligations, as the case may be and in said event such cost and expense shall thereupon thenceforth be and become a lien upon the railways herein designated the "Southern Lines" and all franchises and properly relating thereto, subject; only to the first mortgage thereon first lien bonds respecting which the Government may as herein provided" and shall be enforceable by the same manner as if secured by a second mortgage. the remedy and relief given to the Government by this paragraph shall be considered as an additional remedy and relief, and shall not exclude the Government from any remedy, relief, or right of action which said Government might otherwise have.

8. The words "Railroad Company" herein shall be held to include and apply to the successors and assigns of the party of the second part hereto; and the said concessionary grant or contract of August twenty-eight nineteen hundred and six, as heretofore amended shall continue in full force and effect except as herein amended and modified.

9. By the acceptance hereof the Railroad Company stipulates and agrees to construct said railways herein designated the "Southern Lines" in accordance with the terms and conditions herein imposed and in perpetuity properly to maintain and operate them as commercial railways and common carriers in a manner suitable to the local conditions; but this instrument shall not take effect until the Railroad Company shall have presented to the Secretary of War the necessary consents to postpone the lien of the existing mortgages of the Railroad Company on the railways herein designated the "Southern Lines" to the lien of the mortgage thereon to be executed by the Railroad Company hereunder to secure the bonds, the interest on which to any extent shall be guaranteed by the Government hereunder, and the lien on the Government for any payments made by it under its paid guaranty, and the lien of the Government for any cost and expense it may incur under the foregoing paragraph numbered seven, and the same shall have been approved by him.

In witness whereof, by virtue of authority conferred upon him, this instrument, in triplicate, is executed by the Governor-General of the Philippine Islands on behalf of the Philippine Government.

Done the day and year first above written.

[seal.] THE PHILIPPINE GOVERNMENT,

By.....,

Governor-General of the Philippine Islands.

Form of accept- The foregoing concessionary grant and contract is hereby accepted by the grantee in its corporate name and under its corporate seal, by its proper officers thereto duly authorized by resolution of

its board of directors, passed on the day of,
nineteen hundred and nine, certified copies of which are hereto attached and made a part hereof.

Done the day and year first above written.

THE MANILA RAILROAD COMPANY,

By,

As its President. Attest:

Attest:

.....

As its Secretary.

[CORPORATE SEAL]

SEC. 2. The Governor-General of the Philippine Islands is hereby authorized and directed to execute, for and on behalf of the Philippine Government, the concessionary contract or grant set Approval by Secretary of War, and to received out in section one hereof, after its approval by the Secretary of war, and to receive on said behalf one of the triplicate copies Bond, thereof, when the same are fully executed, and when the bond given by the Manila Railroad Company in compliance with the requirements of section three of the Act of the Philippine Commission Numbered Fifteen hundred and ten shall have been extended to cover the terms and conditions of this instrument in a form acceptable to the Secretary of War.

SEC. 3. The proper officers of the Philippine Government are of Government. hereby authorized and directed to do the acts and perform the functions by them to be done and performed in relation to said railways, and their construction, securities, and obligations, tinder the Acts of Congress approved July first, nineteen hundred and two, section seventy-four, February sixth, nineteen hundred and five, section five, and the concessionary contract or grant set out in section one hereof.

SEC. 4. This Act shall take effect upon its passage, but the grant of the franchise shall not become operative until the grantee, or its successors or assigns, shall have accepted the same in the form above given within a time to be set by the Secretary of War, and shall have executed and delivered the contract and bond herein provided for, and have fully complied with the provisions of this Act in so far as the same are required to be done and performed at or before said time.

Enacted. May 19, 1909.

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