

AN ACT GRANTING TO THE MANILA RAILROAD COMPANY A CONCESSION FOR RAILWAY LINES IN THE ISLAND OF LUZON, AND PROVIDING IN RESPECT OF PROCEEDINGS FOR CONDEMNATION OF LAND BY PUBLIC ...

Act No. 1510, July 07, 1906

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By authority of the United States, be It enacted by the Philippine Commission, that:

SECTION 1. Authority is hereby granted and given to The Manila Railroad Company, a corporation duly organized and existing under and by virtue of the law of the State of New Jersey, and to its successors and assigns, to locate, construct, equip, maintain, and operate certain railways in the Island of Luzon, in the Philippine Archipelago, on terms and conditions set out in the following concessionary grant, or contract:

This instrument, made, executed, and entered into this..... day of....., anno Domini nineteen hundred and six, by and between the Philippine Government, by the Governor-General of the Philippine Islands, 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, of the other part, witnesseth that:

Whereas, under and by virtue of section seventy-four (74) of the Act of the Congress of the United States, approved July 1, 1902, the Government of the Philippine Islands was authorized and empowered, among other things, to grant franchises, privileges, and concessions for the construction and operation of works of public utility and service, as by reference thereto will more fully appear; and

Whereas, under and by virtue of section four (4) and five (5) of the Act of the Congress of the United States, approved February 6, 1905, the Government of the Philippine Islands was empowered, among other things, to enter into a contract of guaranty with any railroad company organized pursuant to the laws of said Government, or of the United States or any State thereof, undertaking to construct, equip, operate, and maintain any railroad in said Islands which should be specifically authorized by said Government, under terms, conditions, and restrictions therein fully recited, as by reference thereto will appear: and

Whereas, pursuant to said power and authority so conferred, the Philippine Government, by William H. Taff, as Secretary of War of the United States, did, upon June 12, 1905, issue an invitation for proposals or bids for concessionary contracts or grants in aid of the construction, equipment, maintenance, and operation of certain lines of railway in said Philippine Islands, therein designated and specified, which said invitation for proposals or bids, as above, was modified and amended by the circular of the Secretary of War dated December 22, 1905; and

Whereas, under the provisions and conditions of said invitation, as amended, Speyer and Company, a partnership, upon January 20, 1906, made a proposal and bid for a concessionary contract for the construction, equipment, maintenance, and operation of certain lines of railway as in the proposal of said Speyer and Company contained; and

Whereas the said Speyer and Company were the sole bidders for certain lines of railway in the Island of Luzon; and

Whereas their said bid was not in all respects satisfactory to the Philippine Government, but by negotiation between the Secretary of War, on behalf of the Philippine Government, and Speyer and Company the differences between the parties have been settled and accommodated by the award, concurred in by the Philippine Commission, to said Speyer and Company of a concession and grant upon the terms embodied in this instrument; and

Whereas said invitation for proposals did, among other things, provide that if the award thereunder be to any individual or co-partnership, he or it should, within thirty (30) days thereafter, duly assign and transfer the same to a corporation of the character and qualifications therein specified, namely, a railroad corporation duly organized and existing under the laws of a State of the United States, or of the United States or the Philippine Islands, and legally competent in every respect to enter into and to perform all the terms, conditions, and obligations of such proposal or bid, and the concessionary contract or grant; and

Whereas said grantee is a corporation of the character and qualifications in said invitation specified, and pursuant to the provisions of said invitation, the bidders to whom said award was made did on....., 1906, duly assign said award to the grantee, and cause the same to be by the grantee duly accepted and assumed to the satisfaction of the Philippine Government;

In consideration thereof, it is conceded and granted by the Government of the Philippine Islands (hereinafter referred to as the Government), of the one part, and contracted and agreed by the party of the second part (hereinafter referred to as the grantee), for itself, and for its successors and assigns, of the other part, as follows:

The grantee, and its successors and assigns, are hereby granted by the Government concessions in perpetuity for lines of railway in the Philippine Islands, generally and approximately as follows and subject to such variations as may be approved by the Governor-General and ratified by the Secretary of War as hereinafter provided:

- (a) A concession for the existing lines of the Manila Railway company, Company, Limited, and branches therefrom, as follows: From Manila or from a point on the Manila-Antipolo line to Cavite and Naic, 29 miles; from San Fernando to Florida Blanca, 14 miles; from Dau to San Pedro Magalang, 9 miles; from San Miguel to La Paz, 10-miles; from Panique to Tayog, 28 miles, and to complete, maintain, and operate the branches of the Manila-Dagupan line, now in course of construction, to Antipolo and Cabanatuan.
- (b) A concession for a branch from the Manila-Antipolo line, now under construction, to continue the line, now authorized to Mariquina, from Mariquina to Montalban, an estimated distance of 8 miles.
- (c) A concession for a line from Manila, or from a point on the Manila-Antipolo line, to Batangas and Bauan, an estimated distance of 73 miles, and for a branch therefrom from Calamba to Santa Cruz, an estimated distances of 22 miles, with the right to extend such branch for a farther distance of about 5 miles for the purpose of extending the line to or building via Magdalena and Pagsanjan, and for a branch from Santo Tomas to Lucena, an estimated distance of 39 miles, with the right to extend the same from Lucena a farther distance of about 8 mil's to a point on the coast at which the Government may decide to construct a harbor.
- (d) A concession for a line from Pasacan mated distance of 72 miles, and for branches from such line from Ligao to Tabaco, an estimated distance of 21 miles.
- (e) A concession for a line from a point near Dagupan to Camp No. 1, in the direction of Baguio, an estimated distance of 25 miles.
- (f) A concession for a line northward from Dagupan to San Fernando, an estimated distance of 35 mile.;

1. It is understood that the routes of the respective line above mentioned are intended to be approximate only and the grantee shall furnish the Governor-General with detailed plans showing the exact routes, after the surveys have been completed.

The grantee 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 from the main lines of said railways above described.

Surveys on and along the several proposed lines shall be commenced by the grantee within sixty (00) days after written demand therefor shall be made to the grantee by the Governor-General; detailed reports of the definite plans, sunevs. and specifications, accompanied by complete maps and profiles of the character and kind in respect of such sonstruction and equipment directed by the Governor-General, shall, in writing, be submitted to the Governor-Geral within twelve (12) months after the said demand, or at such later time as may be permitted by the Governor-General or the Secretary of War; and within two (2) months after the submission thereof to the Governor-General the latter shall fix and determine the final route, substantially in accordance with the routes as above generally described.

2. Under and by virtue hereof the right way through the public lands of the Philippine Government is hereby given and granted to the grantee for the construction, operation, and maintenance of the railroad or railroads as herein authorized to the extent of one hundred (100) feet in width where it may pass through the public domain, including all necessary ground for depots, machine shops, station buildings, workshops, water stations, warehouses, terminals—including wharves and dock fronts, switches, side tracks, and turntables—and also such extra lands beyond such one hundred (100) feet as may be found necessary for said purposes: Provided, That the same be approved by the Governor-General as a part of the definite plans hereinbefore provided for; and and the right, power, and authority shall thereunder be given to said grantee, with the written approval of the Governor-General, to open and work quarries and gravel pits upon any public lands and to take from such lands earth, stone, timber, and other materials, for the construction of such railway; but the provisions of this paragraph shall only apply to public lands available for homestead settlement or for sale under the Public Land Act, or to timber lands of the Philippine Government, and shall not apply to lands used and assigned for other public-purposes, or to the lands known as the friars' lands.

The grantee shall have the right, with the approval of the Governor-General,. to cross or occupy such parts of public roads, alleys, avenues, and squares, and to acquire title to such other municipal or provincial lands, as may be necessary, on terms to be agreed upon by the grantee and the proper provincial or municipal authorities, as the case may be, and in case of failure to agree upon the terms thereof, such terms shall be fixed by the Governor-General.

Lands or rights of use and occupation of lands granted under the toregomg provisions of this paragraph shall revert to the governments by which they were respectively granted, upon the termination of this franchise or concession, or upon its revocation or repeal.

The grantee shall also have the right to acquire from corpora tions, or private individuals, by purchase, contract, lease, grant, or donation, any lands which may be necessary or useful for the construction, maintenance, and operation of the said lines of railway, or any of them.

The grantee shall also have the right to acquire by condemnation the lands necessary for the right of way, for bridges, for terminals, including wharves and docks at harbor points and elsewhere, for sidings, stations, engine houses, water stations, and other appropriate buildings and structures for the proper and convenient construction, operation, and maintenance of the lines of railway herein authorized; but no lands within the boundaries of any province, city, town, or municipality shall be occupied by the grantee if the same are in actual use for provincial, governmental, or municipal purposes, nor shall any land within the boundaries of any city, town, or municipality be so occupied without the consent of tiie proper authorities of such city, town, or municipality, unless the Governor-General shall consent to the same. The right of condemnation or eminent domain shall be exercised by the grantee in accordance with the-laws of the Philippine Islands at the time being in force.

The grantee shall have the right to construct and maintain for operation of said railways any and all tracts (single,

double, or more), bridges, viaducts, culverts, fences, and other structures; and all depots, station houses, engine houses, car houses, freight houses, wood houses, and other buildings; and all machine shops and other shops, water tanks, turntables, superstructures, erections, and fixtures ; and all elevators, warehouses, wharves, piers, and other facilities—terminal or otherwise—for operating said railroads, and also any hotels or restaurants at any station or terminal.

3. By the acceptance hereof the grantee stipulates and agrees to construct said railways herein described 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.

4. All tracks of all the said lines of railways shall be of the gauge of 3 feet 6 inches, so that when completed the gauge of all lines covered hereby shall be uniform. All materials employed construction and all equipment shall be of good class and quality and designed to fully meet the requirements of local traffic and local conditions. This specification as to gauge may be modified with the approval of the Governor-General. And the said grantee construction. yearly hereby agrees to construct ready for operation not less than one hundred and fifty (150) miles of main track, including main branch lines hut not sidings, at the end of two (2) years, after the approval of the final plans for the same, and not less than seventy-five (75) miles annually thereafter, until said lines are fully constructed and equipped ready for operation; any excess construction during any period shall be credited on account of the construction during the succeeding periods. Such time for construction and equipment may be extended by the Governor-General when in Ins judgment the grantee has been prevented from construction work by reason of unforeseen labor difficulties, earthquakes, action of the elements, rebellion, ladronisin, or other causes beyond the control of the grantee.

The said railways shall be operated as commerciall railways for the transportation of freight, passengers, express, and mail, and, on demand of the Governor-General, preference of carriage shall be given over said lines of railway, or any part thereof, to business offered by the Government of the United States or of the Philippine Islands.

5. The motive power of said railways shall be steam ; except that, with the consent of the Governor-General, any of said lines may be operated by electricity or other power.

6. The grantee, in respect of any of said railways, shall permit (and the right is reserved the Philippine Government to grant permission to) any other railway now constructed or hereafter to be constructed in the Philippine Islands to form and establish traffic connections or arrangements with it on fair and equitable terms, to be determined, in case of: disagreement, by the Governor-General of the Philippine Islands upon petition by either party and upon appeal by the Secretary of War.

7. The grantee and its contractors and subcontractors shall, so; far as possible, give preference to such satisfactory laborers as may be found along the lines of railway.

8. The grantee shall have the right to construct and operate telegraph, telephone, and electrical transmission lines over said railways for the use of the railways and their business, and also, with the approval of the Secretary of War for public service and commercial purposes, but these latter privileges shall be subject to the following provisions:

In the construction of telegraph or telephone lines along the right of way the grantee shall erect and maintain poles with sufficient space thereon to permit the Philippine Government, at the expense of said Government, to place, operate, and maintain four wires for telegraph, telephone, and electrical transmission for any Government purpose between the termini of the lines of railway, main or branch; and the Philippine Government reserves to itself the

right to construct, maintain, and operate telegraph, telephone, or electrical transmission lines over the right of way of said railways for commercial, military, or governmental purposes, without unreasonably interfering with the construction, maintenance, and operation by the grantee of its railways, telegraph, telephone, and electrical transmission lines.

The grantee shall furnish suitable telegraph offices and operators at its stations for public use, when so directed by the Governor-General, on payment of reasonable compensation for the service.

9. All plans for work to be done hereunder and the work itself shall be subject to the inspection of the Governor-General or agents appointed by him, and the books and accounts of all the railways operated, leased, owned, or maintained by the grantee, or its successors or assigns hereunder, shall be subject to the official inspection of the Philippine Government.

10. All material imported into the Philippine Archipelago for the construction and equipment of the railways undertaken by the grantee pursuant to authority conferred by this concessionary contract or grant shall be admitted free of duty, under such rules and regulations as shall be prescribed by the Philippine Government : Provided, That this provision shall not extend or apply to any portion of such lines, or to any material or supplies therefor, after the same shall be constructed and equipped: Provided further, That if any material so admitted free of duty shall not in fact be used for the construction and equipment of said railroads the duty shall become payable thereon whenever it is ascertained that it has been used or disposed of or is held for other purposes: And provided further, That this exemption shall extend to port charges upon vessels whose entire cargo consists of material for the construction or equipment of the railways, and to such proportion of the prescribed port charges on other vessels as the tonnage of material for such construction or equipment may bear to the tonnage of the entire cargo of the vessel.

11. The right is hereby given to the grantee to fix, charge, and collect just and reasonable compensation for the carriage of freight passengers and passengers, using as an initial basis for the various rates the charges now made for the transportation of freight and passengers to and from stations on the present lines of the Manila Railway Company; such right, however, for the purpose of insuring just and reasonable rates at all times, shall be subject to effective regulation, to be exercised, in the first instance, by the Philippine Government, and upon appeal by the Secretary of War of the United States.

12. In consideration of the premises, and of the granting of this concession or franchise, there shall be paid by the grantee to the Philippine Government, annually, for the period of thirty (30) years from the date hereof, an amount equal to one-half of one (1/2) per cent of the gross earnings of the grantee in respect of the lines covered hereby for the preceding year; after said period of —after thirty years. thirty (30) years, and for fifty (50) years thereafter, the amount so to be paid annually shall be an amount equal to one and one-half (1 1/2) per cent of such gross earnings for the preceding year; and after such period of eighty (80) years the percentage and amount so to be paid annually by the grantee shall be fixed by the Philippine Government.

Such annual payments, when promptly and fully made by the grantee, shall be in lieu of all taxes of every name and nature— municipal, provincial, or central—upon its capital stock, franchises, right of way, earnings, and all other property owned or operated by the grantee under this concession or franchise.

13. The said railway lines, and each thereof, shall be post routes and military roads, subject to the use of the Philippine Government and the United States of America for postal, military, naval, and other governmental service, and also subject to such reasonable as the Philippine Government, with the approval of the Secretary of War, shall impose restricting the charges for such Government transportation.

The grantee undertakes to provide on its trains necessary facilities Carriage of mails. for carrying the mails, under terms and conditions to be agreed upon by the Director of Posts and the grantee; and, in case they shall not be able to agree, the Governor-General shall fix the terms and conditions, after a hearing shall have been given the grantee thereon; but the compensation for such carriage of mails shall, under all circumstances, be a reasonable sum fixed with reference to the conditions existing in the Philippine Islands.

Reasonable compensation shall be allowed for the urgent transportation of mail, troops, bullion, ammunition, or freight, for the Government, at other hours or at higher speed than passenger trains are ordinarily run. The grantee shall provide such facilities for such purposes, as may be necessary, at any hoar, day or night.

14. The grantee shall at all times have and maintain, hy corporate declaration, satisfactory to the Governor-General, an office and domicile in the Philippine Islands and a representative and agent at all times fully qualified and empowered to treat with the Philippine Government in respect of all matters arising hereunder, and upon whom process may be served in any judicial proceeding for any object or purpose, whether arising hereunder or otherwise, and upon whom also any and all notices, demands, tenders, deliveries, and communications may be given or made to, for, or in behalf of the grantee hereunder, and its and their successors and assigns; and all processes so served, and all notices, demands, tenders, deliveries, and communications so made, shall be legal, sufficient, and binding upon the grantee, and upon its and their successors and assigns, as if made to it or them in person.

15. In consideration of this concession, and the waiver by the Philippine Government of all claims against said Manila Railway Company, Limited, based on the Spanish concession, the said Manila Railway Company, limited, shall fully release all claims against the United States, the Government of the Philippine Islands, and the provinces and municipalities thereof, based on the terms of the concession granted by the Spanish Government to the Manila Railway Company. Limited; and also all claims growing out of the use and occupation of the lines of said Manila Railway Company, Limited, hy the military authorities of the United States, and out of the damage to said lines, accessories, and equipment resulting during such use and actual occupancy, and especially the claim against the United States for \$1,515.000. gold, presented by the British ambassador to the Department of State of the United States on behalf of the said Manila Railway Company, Limited; and this concession shall not take effect as to the lines of the Manila Railway Company, Limited, including the branches thereof to Antipolo and Cabanatuan. until the grantee shall have presented to the Secretary of War a release and waiver of the claims aforesaid in form acceptable to the Secretary of "War, duly executed by the proper officers of the Manila Railway Company, Limited, thereunto lawfully authorized by said company, and upon such release and waiver being given in a form binding on all holders of lien under any mortgage, deed of trust, or other instrument heretofore executed by said Manila Railway Company. Limited, the Spanish concession above referred to shall he deemed to be canceled.

16. This franchise or concession is subject to amendment, alteration, or repeal by the Congress of the United States; no stock or bonds shall he issued by the grantee hereunder except in exchange for actual cash, or for property at a fair valuation, equal to the par value of the stock or bonds so issued; the grantee shall not declare stock or bond dividends.

The foregoing and all other terms and provisions of section seventy-four (74) of the Act of Congress approved July 1, 1902, and section five (5) of the Act of Congress approved February 6. 1905, relating to said railways, are incorporated into and made a part hereof, with the same effect as if they were set forth herein at length.

17. The word "grantee" herein shall be held to include and apply to the successors and assigns of said grantee.

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 HENRY C. IDE,
Governor-General of the Philippine Islands.

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....., 1906, certified copies of which are hereto attached and made a part hereof.

Done the day and year first above written.

.....,
By
As Its President.

Attest:

.....,
As Its Secretary.

[CORPORATE SEAL.]

SEC. 2. When condemnation proceedings are brought by any railway or other public service corporation, in any court of competent jurisdiction in the Philippine Islands, for the purpose of the expropriation of land for the proper corporate use of any public service corporation, the corporation shall have the right to enter immediately upon the possession of the land involved, after and upon the deposit by it with the Treasurer of the Philippine Islands of the value of the land, in money, as provisionally and promptly ascertained and fixed by the court having jurisdiction of the proceedings, said sum to be held by the Treasurer subject to the orders and final disposition of the court. And the court is empowered and directed, by appropriate order and writ if necessary, to place the corporation in possession of the land, upon the making of the deposit.

SEC. 3. 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 out in section one (1) hereof, after its approval by the Secretary of War, and to receive on said behalf one of the triplicate copies thereof, when the same are fully executed, and when a bond in the sum of three hundred thousand dollars (\$300,000), in a form and with sureties acceptable to the Secretary of War, or the Governor-General, properly executed, shall have been delivered to the Secretary of War, or the Governor-General.

SEC. 4. The proper officers of the Philippine Government are 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, under the Acts of Congress approved July 1, 1902, section seventy-four (74); February 6, 1905, section five (5); and the concessionary contract or grant set out in section one (1) hereof.

SEC. 5. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An Act prescribing the order of procedure by the Commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 6. 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 and shall within sixty (60) days after the passage of this Act, 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 said time.

SEC. 7. All Acts or parts of Acts inconsistent with the provisions of this Act shall be, and the same are hereby, repealed.

Enacted, July 7, 1906.

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