

AN ACT APPROVING, CONFIRMING, AND RATIFYING THE AGREEMENT MADE BETWEEN THE SECRETARY OF WAR, REPRESENTING THE GOVERNMENT OF THE PHILIPPINE ISLANDS, AND THE ARCHBISHOP OF MANILA,...

Act No. 1724, September 23, 1907

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Whereas certain controversies have arisen between the Roman Catholic Church and the Government of the Philippine Islands as to the title to various estates and properties and as to the right of possession and administration thereof: and

Whereas there have been certain controversies between the Government of the Philippine Islands and the Banco Español-Filipino as to the rights and powers of the latter under its charter from the Kingdom of Spain : and

Whereas, for the purpose of ending these controversies, William H. Taft, as Secretary of War of the United States, representing the Government of the Philippine Islands, and Jeremiah J. Harty, archbishop of Manila, representing the Roman Catholic Church, in the Philippine Islands, and Jeremiah J. Marty, archbishop of Manila, representing and controlling a majority of the capital stock of the Banco Español-Filipino, did, on the eighth day of June, nineteen hundred and seven, enter into the following agreement determining and settling the controversies between the Roman Catholic Church and the Government of the Philippine Islands, and between the Banco Español-Filipino and the Government of the Philippine Islands, to wit:

"This memorandum of agreement, entered into by Archbishop Harty, archbishop of Manila, representing the Roman Catholic

Church in the Philippine Islands, and the Secretary of War, representing the Government of the Philippine Islands, is intended to form the basis of a compromise of a number of controversies arising between the Roman Catholic Church and the Government of the Philippine Islands,, and to end all such controversies.

"The controversies arising are as follows:

"First.—The right of the Roman Catholic Church, on the one hand, and the Philippine Government, on the other, to administer certain charitable trusts, and to take possession of, and assume control of, the following estates, to wit:

"The buildings, estate and hospital plant of the Hospicio San Jose."

"Second,—The buildings, estates and hospital plant of San Juan de Dios. including all other estates or investments of said Hospital of San Juan de Dios.

"Third,—The Colegio de San Jose, now in litigation in the Supreme Court of the Philippine Islands, including buildings, hospital plant, or other property of the Colegio de San Jose, and any hospicios, estates or investments held by it.

"Fourth,—The Hospital of San Jose in Cavite, including the land and buildings thereof in Cavite.

"Fifth,—The estate, hospital plant, buildings, and investments, or other property of the Colegio Santa Isabela.

"Sixth,—The buildings, hospital plant, estates, and all other property and investments of the hospital and foundation of San Lazaro.

"Seventh,—The buildings, plant, foundation and estates known as the Santa Potenciana.

"Also the controversy between the Banco Español-Filipino, in archbishop of the diocese of Manila, representing the Roman Catholic Church, represents and controls a majority of the capital stock, presents the issue whether the rights, privileges and immunities conferred upon the Banco Español-Filipino continue unimpaired under the American sovereignty brought about by the Paris, the Philippine Government contending that the right to pin in circulation notes of issue ceased to be, and was dependent thereafter upon any grant of the American or Philippine Government. The bank on its part claimed that under the terms of the Treaty of Paris the right to issue such notes continued unimpaired, and that the charter as granted by the Spanish Government without impairment under American sovereignty.

"Now, therefore, for the purpose of ending all these controversies, the following informal agreement is entered into, to be subject to the approval of the Philippine Commission, and to be carried into effect by the entry of consent decrees, in the proper Courts, in such from as to conform the titles in the persons by this agreement to take the respective properties, and by such legislation of the Philippine Commission as may be necessary to further confirm and put into execution said agreement, and also subject to the approval of the Secretary of War and of Archbishop Harty, through his agent, Festus J. Wade, of the statutes of the hank as they shall be revised, such revision to contain it restriction on the amount of money to be leaned by the Bank on real-estate security.

"In consideration of the foregoing, and in the manner prescribed wherein, the Archbishop of the diocese of Manila, for the Roman Catholic Church in the Philippine Islands, is to take possession, and hold in absolute title, free from all claims or demands of the Philippine Government, the land and property, real, personal and mixed, set forth and described under sections one. two, three, four, and five hereof, namely:—Hospicio San Jose, San Juan de Dios-Colegio de San Jose; Hospital of San Jose in Cavite, and the Colegio Santa Isabela.

"It being understood, however, that the College of San Jose is to be surrendered and given into the possession and ownership of the Archbishop of Manila Tor the specific purpose of its foundation.

"And to the same extent, and in the same manner, the archbishop of Manila, for the Roman Catholic Church, relinquishes all claims and demands, of any nature, and to any extent, upon the buildings, plant, foundation and estates known as Santa Potenciana, and also upon the buildings, hospital, plant, church, estates, and all other property and investments, real, personal or mixed, of the hospital and foundation of San Lazaro, except as follows:

"First,—The archbishop of Manila is to take, hold, and own all of block numbered 156, as platted and set forth upon the map or plat hereto attached and made a part hereof for the purpose of this agreement, said conveyance being in consideration of the relinquishment by the Archbishop of Manila of any claim or demand to the church and land upon which it is situated and which is attached to, and a part of, the San Lazaro Hospital.

"Second,—All of I he blocks platted and set forth upon the map hereto attached, beginning with block numbered 159 and up to and including block numbered 210, shall be divided as follows:

"The Archbishop of Manila, his agent or representative, shall select fifty hectares belonging to the San Lazaro estate north of the second street running parallel to the northern boundary of the present hospital ground, provided there be fifty hectares in this property. The selection shall lie made by blocks, platted and numbered from 159 to 210. inclusive, upon the accompanying map or plat. The area of this described property shall be determined in

hectares, and if it exceeds fifty hectares the selection shall be as follows:

"First,—The Archbishop, or his representative, will select a block, and then the representative of the Philippine Government will select a block, and alternate selections will follow until the Archbishop shall have received fifty hectares of land. If from the survey it is shown that these alternate selections by the Archbishop and by the Philippine Government will not give to the Archbishop the required fifty hectares of land, the Philippine Government shall withdraw from further selection as soon as its proportionate amount has been received, and give the balance of the property to the Archbishop. It being understood that both the parties hereto agree to the dedication to public use of the streets and alleys shown on said plat or map.

"In relation to the Banco Español-Filipino, the following is agreed by and between the parties hereto:

"I. That the corporate existence of the Banco Español-Filipino shall be extended twenty-five years from January 1st, 1903. This period may be extended at the request of the majority of the stockholders of the bank, provided such request be made at least one year before the expiration of the twenty-five years mentioned.

"II. That the bank is authorized to change its name, at its option, to be known as the Bank of the Philippine Islands or the Philippine Bank.

"III. That the Government of the Philippine Islands renounces all rights which it may have derived under Spanish law to appoint the Governor and other officers of the Bank or to interfere in any way with its administration, except to make examination of its solvency and supervise its conduct in the interest of the public in the same manner as such examination and supervision are or may be exercised over national banks in the United States and as prescribed by the laws of the Philippine Islands.

"IV. That upon compliance with the preamble of this agreement, validity is given to all acts heretofore performed by the Bank, which would otherwise be legal, and whose validity might be questioned by reason of the failure of the Bank to comply with its statutes in regard to the participation of the Government in the management of the Bank.

"V. That the Government of the Philippine Islands renounces all right and title derived from Spanish law and the existing statutes of the bank to a loan of any money, to the Treasury of the Philippine Islands.

"VI. That the Treasurer of the Philippine Islands, provincial treasurers, and other authorized public officials shall, from time to time, deposit with the bank and its branches, upon such terms as may be prescribed by the Government of the Philippine Islands, such public moneys, and trust funds as may be available for this purpose, without discrimination against the Bank or in favor of other institutions; but this clause shall not bind such officials to make or maintain such deposits when, in their opinion, it is inadvisable.

"VII. That, the Treasurer of the Philippine Islands and all assistant treasurers, and provincial and municipal treasurers, and other public officials, shall be directed to receive the notes of the Banco Español-Filipino for public dues, without discrimination in favor of the notes of other banks or the certificates of the Philippine Treasury, so long as said notes are paid in the lawful money of the Philippine Islands or of the United States without discount and on demand at the bank and its branches.

"VIII. That the capital stock of the Banco Espanol-Filipino shall be authorized to an amount not to exceed ten million pesos, and its circulating notes shall hereafter be issued under the following limitations of amounts and conditions:

"(a) To a present amount not exceeding two million four hundred thousand pesos, which shall be secured by the paid up and unimpaired capital of the Bank and by the value of the surplus as ascertained by the Governor of the Philippine Islands; and in case such capital and surplus shall not, in the opinion of the Governor of the Philippine Islands, be equal in value to the amount or circulation herein authorized, then said Governor may require contraction of such circulation until it shall not exceed the value of the capital and surplus of the Bank, or the deposit with him of commercial paper conforming to the statutes of the Bank and acceptable to him for

any excess in the amount of circulation above the value of the capital and surplus as ascertained and determined by him. And said Hank is hereby authorized to issue its circulating notes secured by its capital as herein provided in equal proportion with each increase of paid in capital stock in cash, not exceeding nine million pesos; and all notes so issued shall be governed by the provisions of this section.

"(b) To a present additional amount not exceeding six hundred thousand pesos upon deposit with the Treasurer of the Philippine Islands of bonds of the United States, bonds or certificates of the Government of the Philippine Islands, bonds of the City of Manila, stock or bonds of railways or mortgage banks upon which interest or principal has been guaranteed by the Government of the Philippine Islands, or other "securities acceptable to the Treasurer of said Philippine Islands, and the percentage of circulation to be allowed upon the face value or market value of each of said class of securities shall be determined by said Treasurer of the Philippine Islands. Such notes may be issued at the discretion of the Bank, subject only to the condition that the securities deposited shall be acceptable in character and amount to the Treasurer of the Philippine Islands, and without regard to whether issues have been made or applied for under other provisions of this act. And, in case of the increase of the paid up and unimpaired capital of the Bank from two million four hundred thousand pesos to three million pesos, the Treasurer of the Philippine Islands shall deliver to the Bank the securities deposited with him to cover circulating notes under this paragraph (b).

"It being the intention that the total circulating notes issued under this agreement shall never exceed in amount nine million pesos; secured by at least an equal amount of the paid up and unimpaired capital of the Bank; except as herein before provided under paragraph (b) of Section VIII.

"IX. That all outstanding notes of the Bank shall, after January 1st, 1908, constitute a preferred lien upon the assets of the Bank, except as to such securities as have been specifically deposited under special agreements with public officials for the safe keeping of public moneys.

"X. That the Bank renounces all claim to the exclusive privilege of issuing notes in the Philippine Islands or to any other exclusive privilege not set forth in this Act; but the Government of the Philippine Islands, will make no laws or regulations affecting the Bank, or imposing charges or taxation upon it, which shall not apply equally to other banks of a similar type operating under similar conditions, and will not authorize any bank with an ascertained capital and surplus of less than two million pesos to issue circulating notes in the Philippine Islands; but this provision shall not preclude the government from granting special privileges to agricultural banks, savings banks, mortgage banks or other institutions of special type whose principal business is not commercial banking.

"XI. That in case the paid up capital of the Bank is increased by the bona. fide sale of new stock at not less than par for cash, the Government of the Philippine Islands shall authorize an increase in the amount of circulating notes equal in amount to said increase in capital, but the total circulating notes so issued shall in no case exceed in amount nine million pesos (P9,000,000).

"XII. That the note issued under the provisions of paragraph (a) of Section VIII of this agreement shall pay a tax at the rate of one-half of one per centum per annum; and the notes temporarily issued under the provisions of paragraph (b) of said Section VIII of this agreement shall pay a tax at the rate of one per cent, per annum, such taxes to be assessed upon the amount of notes actually in circulation outside the Bank and its branches, upon the average circulation per week or at fixed intervals not less frequently than once a month, to be determined by regulations made by the Treasurer of the Philippine Islands.

"XIII. That the notes of the Bank shall hereafter be issued to the Bank by the Treasurer of the Philippine Islands, who shall make requisitions upon the Bureau of Insular Affairs at Washington for such a supply as may be necessary to anticipate reasonable demands and keep such notes in his custody in the Treasury of the Philippine Islands; but said notes shall not have validity as currency until the seal and signatures are attached by the Bank.

"In witness whereof this Memorandum of Agreement in duplicate has been signed this 8th day of June A. D.. 1907 by Jeremiah J. Harty, Archbishop of Manila, as representing the Roman Catholic Church, and by Wm. H. Taft, Secretary of War, as representing the Government of the Philippine Islands.

"Jeremiah J. Harty, [seal.]

"Archbishop of Manila.

"WM. H. Taft, [seal.]

"Secretary of War.

"In presence of —

"EUGENE DE L. MCDONNELL.

"PAUL CHARLTON."

Now, therefore,

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

SECTION 1. The said informal agreement so entered into on behalf of the Government of the Philippine Islands by William H. Taft, Secretary of War, with Jeremiah J. Harty, Archbishop of Manila, on behalf of the Roman Catholic Church, and representing and controlling a majority of the capital stock of the Banco Español-Filipino, is hereby confirmed, ratified, and approved in all its parts.

SEC. 2. The Attorney-General is hereby authorized and directed to enter into a stipulation with the defendants in the action now pending in the Supreme Court of the Philippine Islands entitled "T. H. Purdo de Tavera, Louis M. Maus, Leon M. Guerrero, Manuel Gomez Martinez, and Frank S. Bourns, trustees of the College of San Jose, plaintiffs, versus The Holy Roman Catholic Church, represented by the Most Reverend Archbishop of Manila, the Most Reverend Archbishop of New Orleans, Apostolic Delegate, and Raymundo Velasquez, Rector of the University of Santo Tomas, defendants, stipulating and agreeing that the Supreme Court of the Philippine Islands shall enter judgment in the said action decreeing to the Roman Catholic Church of the Philippine Islands, as represented by the Archbishop of Manila, the right of possession and absolute title and free from all claims or demands of the Government of the Philippines Islands, to the buildings and other property, real, personal, and mixed, pertaining to and belonging to the College of San Jose, said college to be administered for the specific purposes of its foundation.

SEC. 3. The Attorney-General is hereby authorized and directed to enter into a stipulation with the plaintiffs in a certain action now pending in the Court of First Instance of the city of Manila, entitled "Jeremiah T. Harty, in his capacity of Archbishop of Manila, and the Religious Corporation of the Franciscan Fathers of the Province of San Gregorio Magno of the Philippines, plaintiffs, versus W. M. Tipton, defendant," stipulating that the court shall enter a judgment therein decreeing:

First, to the Roman Catholic Church free from all claims or demands of the Government of the Philippine Islands, the right of possession and absolute title to block numbered one hundred and fifty-six, and to blocks numbered from one hundred and fifty-nine to two hundred and ten, both inclusive, or to such parts of said blocks as belong to this San Lazaro estate as shown on copy of the plan attached to said agreement, indorsed on the back as follows, "Map referred to in agreement June 8th, 1907, identified in duplicate. Jeremiah J. Harty, Archbishop of Manila, Wm. H. Taft, Secy, of War," which plan is now on file in the office of the Executive Secretary attached to papers filed under Executive Bureau number ninety-seven thousand six hundred and thirty-nine (a-15), the above tract of land being delineated and described on a later official map of the San Lazaro estate now on file in the office of the Director of Lands and identified by the certificates of the Director of Lands indorsed on the back thereof as block sixty-five and blocks seventy-four to one hundred and

fifteen, both inclusive; subject to the dedication to the public use of the streets and alleys shown on said last-mentioned map;

Second, to the Government of the Philippine Islands free from all claims or demands of the Roman Catholic Church, the right of possession and absolute title, to the remainder of the San Lazaro estate, including the San Lazaro Hospital, the San Lazaro church or chapel, the San Lazaro plant and all the buildings, and all other property and investments, real, personal, or mixed, of the hospital and foundation of San Lazaro, not decreed to the Roman Catholic Church as hereinbefore provided in this section.

SEC. 4. The Attorney-General hereby authorized and directed to procure from the Roman Catholic Church of the Philippine Islands proper legal conveyances to the Government of the Philippine Islands of all right, title, and possession of the Roman Catholic Church in and to the following-described properties, to wit: The buildings, plant, foundation, and estates known as "Santa Potenciana."

SEC. 5. The Governor-General of the Philippine Islands is hereby authorized and directed, upon the entry of the judgments provided for in sections two and three of this Act, and upon the execution and delivery of the deed referred to in section four hereof, to execute proper conveyances of title to the Roman Catholic Church as represented by the Archbishop of Manila, conveying all the right, title, and interest of the Government of the Philippine Islands in and to the following described property, to wit: The buildings, foundation, and property, real, personal, and mixed, pertaining and belonging to the Hospicio de San Jose, the Hospital de San Juan de Dios, the Hospital de San Jose in Cavite, and the Colegio de Santa Isabel.

SEC. 6. 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. 7. This Act shall take effect on its passage.

Enacted, September 23, 1907.

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