

[Act No. 2836, March 18, 1919]

**AN ACT GRANTING TO THE MANILA RAILROAD COMPANY OF THE
PHILIPPINE ISLANDS A CONCESSION TO CONSTRUCT A
RAILROAD IN THE ISLAND OF LUZON.**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Legislature assembled and by the authority of the same:*

SECTION 1. Authority is hereby granted and given to the Manila Railroad Company of the Philippine Islands, a corporation duly organized and existing under and by virtue of the laws of the Philippine Islands, and to its successors and assigns, to locate, construct, furnish, maintain, and operate certain railways on 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 One thousand nine hundred and nineteen, by and between the Philippine Government, by the Governor-General of the Philippine Islands, of the one part, and the Manila Railroad Company of the Philippine Islands, a corporation duly organized and existing under and by virtue of the laws of the Philippine Islands, of the other part, witnesseth that:

Whereas, under and by virtue of section twenty-eight of the Act of the Congress of the United States, approved August twenty-ninth, nineteen hundred and sixteen, the Government of the Philippine Islands was authorized and empowered to grant franchises, privileges, concessions, and rights, including the authority to exercise the right of eminent domain, for the construction and operation of works of public utility and service, as by reference thereto will more fully appear; and

Whereas, the Manila Railroad Company of the Philippine Islands, a corporation organized and existing under and by virtue of the laws of the Philippine Islands, has applied for a franchise to construct and operate a railroad line in the Island of Luzon along the route hereinafter described;

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:

1. The grantee, and its successors and assigns, are hereby authorized by the Government to construct, equip, maintain, and operate in perpetuity lines of railway in the Philippine Islands, generally and approximately as follows, and subject to such variations and such extensions of the main stem, not exceeding twenty-five miles each, as may be approved by the Governor-General:

On the Island of Luzon: A line from Cabanatuan, in the Province of Nueva Ecija, in a northerly direction to Pantabangan, in the Province of Nueva Ecija; thence to Ilagan, in the Province of Isabela; thence to Tuguegarao, in the Province of Cagayan; thence to Aparri, in the Province of Cagayan.

The grantee may, with the consent of the Governor-General, in addition to the lines named, construct branch lines to reach traffic points within a reasonable distance from the main lines of the railways.

Surveys on and along the several proposed lines shall be commenced by the grantee within sixty days after written demand therefor shall be made to the grantee by the Governor-General; detailed reports of the definite plans, surveys, and specifications, accompanied by complete maps and profiles of the character and kind in respect of such construction and equipment directed by the Governor-General, showing the course, direction, length, and grade of the line in each section or district, and embodying also estimates of the costs of such construction and equipment, shall, in writing, be submitted to the Governor-General through the Director of Public Works, within six months after said demand, or at such later time as may be permitted by the Governor-General; and within two 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 of 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 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 clock fronts, switches, side tracks, and turntables, and also such extra lands beyond such one hundred 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 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, to collect earth and stone, to cut timber, to mine for materials and to build and operate kilns for lime, gypsum, and brick, upon any public lands; but the provisions of this paragraph shall only apply to public lands available for homestead settlement, lease or sale under the Public Land Act, or to timber lands of the Philippine Government, and shall not apply to lands reserved for military purposes, or to lands used and assigned for other public purposes, nor to the lands known as the "Friar 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, 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 Reversion.

Lands or rights of use and occupation of lands granted under the foregoing 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 corporations, 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 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 land within the boundaries of any province, city, town, or municipality shall be occupied by the grantee if the same is being used for governmental, provincial, or municipal purposes, nor shall any land within the limits of any city, pueblo or municipality be occupied without the consent of the proper authorities thereof, except by permission of the Governor-General. 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 also have the right to conduct water to the railroad for the use of the same and to cross any railway, tramway, river, stream, water course, lake, canal, and shore, and to construct, alter, substitute, and maintain for the operation of said railways any and all tracks (single, double, or more), bridges, tunnels, embankments, aqueducts, viaducts, culverts, fences, and other structures, passages, conduits, drains, abutments, arches, cuttings, and stockades; and all depots, stations, 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. All tracks of all the said lines of railway shall be of the gauge of three feet six inches, so that when completed the gauge of all lines covered hereby shall be uniform, and the construction, equipment, and rolling stock shall be in every respect first class, and in accordance with the approved definite plans, and, with due regard to local conditions, shall be equal in quality to the best American practice. This specification as to gauge may be modified with the approval of the Governor-General. And the said grantee hereby agrees to construct and complete and put in operation an average of not less than one hundred kilometers of main track per annum, after the approval of the final plans for the same, such work to be commenced at the option of the grantee, at the southern or northern terminal of its proposed lines, or at each of such terminals, simultaneously or successively.

Extension of time of completion may be granted by the Governor-General, in his judgment, for good cause shown.

The said railways shall be operated as commercial railways for the transportation of passengers, freight, goods, express, and mail: *Provided*, That in his operation the grantee shall be bound to fulfill the duties prescribed by chapter two of Act Numbered Fourteen hundred and fifty-nine, regarding the service to be rendered and the measures to be taken for the custody and safety of the passengers and goods transported: *Provided also*, That on written 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, or to officers and employees of the Insular and provincial governments of the Philippine Islands, or to officers, soldiers, and sailors of the Army and Navy of

the United States in the Philippine Islands, and their families.

4. 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 equivalent power.

5. The grantee, in respect of any of said railways, shall permit (and the Philippine Government shall be empowered to reserve to itself the right to grant the proper permission) 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 Public Utility Commissioner, who will act on the matter as in any ordinary case before said tribunal.

6. 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, and the employment of labor shall be at all times under the reasonable direction of the Governor-General of the Philippine Islands: *Provided*, That the grantee shall not use, employ or contract for the labor of persons claimed or alleged to be held in involuntary servitude.

All material employed in the construction of the lines shall be of first class and quality, adapted to the conditions of the country, and equal to the best American practice for railroads of similar gauge. Definite specifications as regards all construction shall be approved by the Governor-General of the Philippine Islands.

7. The grantee shall have the right to construct and operate telegraph, telephone, and electrical transmission lines over said right of way for use in the construction and operation of said railways, and also, with the consent of the Governor-General, for public service and commercial purposes, but the 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 its expense, to place, and itself or by the United States Government to operate and maintain, four wires for telegraph, telephone, and electrical transmission for any purpose between the *termini* of the lines of railway; 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.

In case that the grantee shall operate telegraph, telephone or electrical transmission lines for public service or commercial purposes, prior to such operation, it must file with the Public Utility Commission its rate schedule and statement showing the equipment to be used and kind of service to be rendered.