

[Act No. 1310, March 23, 1905]

AN ACT TO ENCOURAGE AND AID THE PHILIPPINE COASTWISE TRADE, TO SECURE THE CARRIAGE OF MAILS, GOVERNMENT FREIGHT AND PASSENGERS BY COMMERCIAL VESSELS UNDER CONTRACT, TO EFFECT UNIFORM REASONABLE RATES FOR THE GOVERNMENT AND PUBLIC, TO INCREASE THE SAFETY STANDARDS AND SERVICE OF CONTRACTING VESSELS, AND FOR OTHER PURPOSES.

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

SECTION 1. The Secretary of Commerce and Police is hereby authorized and directed to publish proposals in the United States and in the Philippine Islands, asking for bids for the carriage of mails. Government freight and passengers in the Philippine coast-wise trade by vessels, and subject to the approval of the Commission, to enter into contract or contracts therefor, under the following general conditions:

- a. Instructions to bidders, specifications, and forms of contracts shall be placed on file for distribution at the Bureau of Insular Affairs, War Department, Washington, and the office of the Secretary of Commerce and Police, Manila.
- b. The contract or contracts shall be for a period of five years, except as hereinafter provided.
- c. Bidders shall agree to extend to the public the same rates at which they contract to carry Government freight and passengers, and to give the Government as good rates as the lowest offered to the public: *Provided*, That in case the contracting parties shall desire to lower the rates to the public and not to the Government such action may be taken with the previous consent of the Secretary of Commerce and Police: *Provided always*, That the rates offered to the public be uniform and nondiscriminating.
- d. The successful bidders shall take immediate steps to provide such alterations and repairs as will bring their vessels up to the standards of safety, sanitation, and comfort prescribed by the contract or contracts. Blank forms of such proposed contracts shall be kept on file for the examination of proposed bidders.
- e. All contracting vessels shall continue to be subject to the general coast-wise, navigation, sanitary and quarantine laws of the Philippine Islands.
- f. Bidders are invited, in making their bids, to quote rates for transportation from wharf to wharf or from warehouse to warehouse, and such rates shall be considered in determining which is the most advantageous bid.
- g. Bidders shall be notified that they may submit alternate bids, one complying with the instructions and specifications prescribed by the Government, and another, or others, offering such modifications as may to bidders seem advantageous in regard to term of contract or contracts, routes, schedules,

size and speed of vessels, but making no modifications as to the standards of safety, sanitary arrangements, and quality of passenger service. The Government shall retain the right to accept such bid or bids as may seem to it most advantageous, or to reject all bids.

- h. In case bidders offer better terms than can be otherwise obtained upon condition that the contract be made for a period exceeding five years, the Secretary of Commerce and Police, with the approval of the Commission, is authorized to accept said offer or offers, with a proviso in the contract or contracts that the Government may, at any time after live years. upon giving due notice to the contracting parties, terminate the contract or contracts by submitting to arbitration the question of any indemnity to the contracting parties for loss sustained by reason of preparations made for compliance with the terms of the contract but such arbitration shall be limited to fixing the proportionate amount of money lost by reason of the termination of the contract or contracts before the expiration of the period exceeding five years contracted for, and shall not include any "profits lost" or potential earnings.
- i. The Government shall take precedence in the matter of securing accommodations for both passengers and freight by giving to the contracting party or his authorized agent a reasonable notice of not less than forty-eight hours in advance of the sailing time of the vessels, but in cases of public emergency such notice shall not be necessary.
- j. For the sake of prompt service, vessels belonging to the Insular Government shall be allowed to transport mails, passengers, and freight between points covered by vessels under contract when the element of time is important, but provision may be made in the contract that in such cases an equitable portion of the net proceeds arising therefrom shall be turned over to the contracting parties affected by such carriage: Provided, That no payment shall be made to the contracting parties in the case of tours for the purpose of inspection or for official duty made by Insular Government officials upon Government vessels.
- k. Officers charged with the inspection of vessels under contract shall be furnished free transportation, subsistence, and the ordinary accommodations for first-class passengers whenever said officers are engaged in duly authorized inspections on said contracting vessels.
- l. Civil and military officers and employees traveling on leave, and their immediate families under all circumstances, shall be granted half-rates by contracting vessels.

SEC. 2. Whenever it is provided by this or any other Act of the Philippine Commission or any other law or regulation in the Philippine Islands that vessels belonging to the Insular Government may charge for mails. Government passengers or freight or for public passengers or freight, the proposed rates to be charged by such; Government vessels shall be submitted to the Secretary of Commerce and Police, who is hereby authorized and directed to certify, as nearly as may be practicable, what rates would be charged for the same service, by vessels under contract with the Government, as herein before authorized, and the rates so certified shall prevail.