

SENATE No. 316

The Commonwealth of Massachusetts.

SENATE, Feb. 14, 1922.

The committee on Banks and Banking, to which was referred a portion of the Recommendations of the Division of Banks and Loan Agencies of the Department of Banking and Insurance (House, No. 6) (see House, No. 26), reports (in part) the accompanying bill (Senate, No. 316).

For the committee,

CHARLES W. GOULD.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-Two.

AN ACT

Relative to Investments by Savings Banks.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The clause entitled "Sixth" of
2 section fifty-four of chapter one hundred and
3 sixty-eight of the General Laws, as amended by
4 chapter two hundred and twenty-nine of the acts
5 of nineteen hundred and twenty-one, contained
6 in lines four hundred and eighty to four hundred
7 and eighty-nine, inclusive, of said section, is
8 hereby further amended by adding at the end
9 thereof the following new sentence:— A list
10 of the companies whose securities prima facie
11 comply with the requirements of this clause shall
12 be furnished to the commissioner annually, at
13 such time as he shall designate, by the proper
14 authorities of the commonwealth having super-
15 vision over such companies, — so that said clause
16 will read as follows:— *Sixth.* In the bonds of
17 a gas, electric or water company secured by a
18 first mortgage of the franchise and property of
19 the company: provided, that the net earnings

20 of the company, after payment of all operating
21 expenses, taxes and interest, as reported to, and
22 according to the requirements of, the proper
23 authorities of the commonwealth, have been in
24 each of the three fiscal years preceding the mak-
25 ing of such investment equal to not less than
26 four per cent on all its capital stock outstanding
27 in each of said years; and, provided, that the
28 gross earnings of the company in the fiscal year
29 preceding the making of the investment have
30 been not less than one hundred thousand dollars.
31 A list of the companies whose securities prima
32 facie comply with the requirements of this clause
33 shall be furnished to the commissioner annually,
34 at such time as he shall designate, by the proper
35 authorities of the commonwealth having super-
36 vision over such companies.

1 SECTION 2. Subdivision (c) of the clause enti-
2 tled "Ninth" of said section fifty-four, contained
3 in lines five hundred and sixty to five hundred and
4 seventy, inclusive, of said section, is hereby
5 amended by adding at the end thereof the follow-
6 ing:—A list of the companies whose securities
7 prima facie comply with the requirements of this
8 subdivision shall be furnished to the commissioner
9 annually, at such time as he shall designate, by
10 the proper authorities of the commonwealth
11 having supervision over such companies, — so
12 that said subdivision will read as follows:—
13 (c) A bond or note of a gas, electric light, tele-
14 phone or street railway corporation incorporated

15 or doing business in this commonwealth and
16 subject to the control and supervision thereof:
17 provided, that the net earnings of said corpora-
18 tion, after payment of all operating expenses.
19 taxes and interest as reported to, and according
20 to the requirements of, the proper authorities of
21 the commonwealth, have been in each of the three
22 fiscal years preceding the making or renewing of
23 such loan equal to not less than four per cent on
24 all its capital stock outstanding in each of said
25 years; and provided, that the gross earnings of
26 said corporation in the fiscal year preceding the
27 making or renewing of such loan have been not
28 less than one hundred thousand dollars. A list
29 of the companies whose securities prima facie
30 comply with the requirements of this subdivision
31 shall be furnished to the commissioner annually,
32 at such time as he shall designate, by the proper
33 authorities of the commonwealth having super-
34 vision over such companies.

1 SECTION 3. Paragraph (3) of subdivision (e)
2 of the said clause entitled "Ninth", contained in
3 lines five hundred and ninety-two and five hun-
4 dred and ninety-three of said section fifty-four,
5 is hereby amended by inserting after the word
6 "therein", in the second line thereof, the words:
7 — and unpledged shares of co-operative banks at
8 not more than ninety per cent of their withdrawal
9 value, — so that the said paragraph will read as
10 follows: (3) Deposit books of depositors in

11 savings banks at no more than ninety per cent
12 of the amount of deposits shown therein and
13 unpledged shares of co-operative banks at not
14 more than ninety per cent of their withdrawal
15 value; or.

