
To accompany the petition of the Savings Banks Association of Massachusetts, by D. S. Sylvester, executive manager, that savings banks be authorized to invest in certain railroad equipment securities. Banks and Banking.

The Commonwealth of Massachusetts

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

An Act authorizing Savings Banks to invest in
Certain Railroad Equipment Securities.

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

1 The clause entitled "Third" of section fifty-
2 four of chapter one hundred and sixty-eight of
3 the General Laws is hereby amended by adding
4 at the end thereof the following new subdivision:
5 (p) In equipment trust notes, bonds or cer-
6 tificates, issued or guaranteed as to principal
7 and interest by a railroad corporation which
8 complies with all the requirements of subdivisions
9 (b) and (d), or subdivision (e) preceding para-
10 graph (5); provided, that — (1) such securities
11 are secured by a first lien on, or by a lease and
12 conditional sale of, new railroad equipment of
13 standard gauge, consisting of locomotives, pas-
14 senger train cars or freight train cars, free from
15 all other encumbrances, for the purchase of which
16 such securities were issued at not exceeding

17 eighty per cent of the purchase price of such
18 equipment; (2) the instrument under which
19 such securities are issued or the lease and con-
20 ditional sale of such equipment provides for the
21 proper maintenance and replacement thereof
22 and for the payment of the entire issue of such
23 securities in not exceeding fifteen equal annual
24 or thirty equal semi-annual installments from
25 date of issue, without the release of any part of
26 the lien or interest in any part of the equipment
27 securing such securities until the said entire
28 issue of the series so secured shall have been
29 paid or redeemed. Not more than ten per cent
30 of the deposits of any such bank shall be in-
31 vested in securities which are legal under this sub-
32 division, nor more than two per cent of its de-
33 posits in such securities issued or guaranteed
34 by, or secured by lease and conditional sale to,
35 any one railroad corporation.

