

# SENATE . . . . No. 352

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## The Commonwealth of Massachusetts

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SENATE, March 25, 1930.

The committee on Bills in the Third Reading, to which was referred the Senate Bill relative to the interest of the New York, New Haven and Hartford Railroad Company in certain subsidiary companies (printed as House, No. 158), reports recommending that the same be amended by substituting therefor a new draft entitled "An Act relative to the powers of the New York, New Haven and Hartford Railroad Company as affected by its interests in certain subsidiary companies" (Senate, No. 352), and that, when so amended, the same will be correctly drawn.

For the committee,

JAMES A. TORREY.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty.

An Act relative to the Powers of the New York, New Haven and Hartford Railroad Company as affected by its Interests in Certain Subsidiary Companies.

*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. Section two of chapter three hun-  
2 dred and nine of the special acts of nineteen hun-  
3 dred and seventeen is hereby amended by striking  
4 out the word “and” the second time it occurs in  
5 the twenty-eighth line, and inserting in place  
6 thereof a comma, and by inserting after the word  
7 “lighters” in the twenty-ninth line the words: —  
8 and motor vehicles, — so that the last sentence  
9 of said section will read as follows: — So long as  
10 the New Haven company shall continue to hold,  
11 directly or indirectly, a controlling interest in the  
12 stock of the New England Steamship Company  
13 and in the stock of the Hartford and New York  
14 Transportation Company, it shall not permit  
15 either of said companies to exercise any corporate  
16 powers and franchises except such as are reason-  
17 ably required for the management, operation,  
18 maintenance or improvement of steamship and  
19 barge lines, lighters and motor vehicles; nor shall

20 the New Haven company, so long as it continues  
21 to hold, directly or indirectly, a controlling interest  
22 in the stock of the Providence Securities Company,  
23 permit said company to exercise any corporate  
24 powers or franchises except such as are reasonably  
25 required to perform its obligation of transferring  
26 its registered debentures upon its books.

1 SECTION 2. Section eight of said chapter three  
2 hundred and nine is hereby amended by insert-  
3 ing after the word "shall" in the tenth line the  
4 words: — , except as hereinafter provided, — by  
5 striking out, in the eighteenth line, the words  
6 "public service commission" and inserting in  
7 place thereof the words: — department of public  
8 utilities, — and by adding at the end the follow-  
9 ing: — ; provided, that the department of pub-  
10 lic utilities, at any time after making the certifi-  
11 cation provided for in subdivision (c) of this  
12 section, may waive in whole or in part any or all  
13 the conditions set forth in subdivision (b) of this  
14 section if such waiver is found by said depart-  
15 ment to be consistent with the public interest,  
16 and thereupon the condition or conditions in so  
17 far as waived shall cease to be in effect, — so as  
18 to read as follows: — *Section 8.* The New Haven  
19 company is hereby prohibited from declaring or  
20 paying dividends upon its common stock in  
21 excess of five per cent per annum until (a) all the  
22 sales have been made of stock, bonds, notes or  
23 other evidences of indebtedness of other corpora-  
24 tions or associations or of other property required

25 by the decree of the United States court for the  
26 southern district of New York, entered the sev-  
27 enteenth day of October, nineteen hundred and  
28 fourteen, as the same is now or may hereafter be  
29 modified; until (b) it shall, except as hereinafter  
30 provided, have caused to be cancelled the bonds  
31 of the New York, Westchester and Boston Rail-  
32 way Company which it held on the thirty-first  
33 day of December, nineteen hundred and sixteen,  
34 amounting at par to two million one hundred  
35 and ninety thousand dollars, and shall have  
36 reduced the book value of the notes of said rail-  
37 way company which it holds to one dollar, and  
38 the book value of the stock of said railway  
39 company which it holds by three million dollars;  
40 and until (c) the department of public utilities  
41 shall have certified that, beginning with the  
42 thirtieth day of June, nineteen hundred and  
43 thirteen, an amount has been appropriated from  
44 the earnings of the New Haven company, or has  
45 been paid on notes of the New York, Westchester  
46 and Boston Railway Company reduced to the  
47 book value of one dollar, and has been used for  
48 additions and improvements to the property of  
49 the New Haven company, or for the retirement  
50 of floating indebtedness which said company  
51 may lawfully fund by an issue of stock or bonds,  
52 which is equal to the net amount of any losses  
53 upon the sale of securities under the aforesaid decree  
54 of the United States court, plus the net amount  
55 of any book loss resulting from the dissolution of  
56 the New England Navigation Company and of

57 the Millbrook Company, plus the amount of the  
58 reduction in the book value of the holdings of  
59 the New Haven company in the securities of the  
60 New York, Westchester and Boston Railway  
61 Company hereinbefore provided for; provided,  
62 that the department of public utilities, at any  
63 time after making the certification provided for  
64 in subdivision (c) of this section, may waive in  
65 whole or in part any or all the conditions set  
66 forth in subdivision (b) of this section if such  
67 waiver is found by said department to be con-  
68 sistent with the public interest, and thereupon  
69 the condition or conditions in so far as waived  
70 shall cease to be in effect.

1 SECTION 3. Section three of said chapter three  
2 hundred and nine is hereby repealed.

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SENATE, March 25, 1930.

Passed to be engrossed.

Sent down for concurrence.

WILLIAM H. SANGER, *Clerk.*





