

[CHAPTER 9.]

JOINT RESOLUTION

January 3, 1933.
[H. J. Res. 527.]
[Pub. Res., No. 46.]

Extending the time for filing the report of the joint committee to investigate the operation of the laws and regulations relating to the relief of veterans.

Joint committee on operation of veterans relief laws.

Time for report by, extended.

Ante, p. 419.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the time within which the joint committee to investigate the operation of the laws and regulations relating to the relief of veterans, created by section 701 of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, approved June 30, 1932, shall report to the Senate and the House of Representatives, is hereby extended to and including the 3d day of March, 1933.

Approved, January 3, 1933.

[CHAPTER 10.]

JOINT RESOLUTION

January 14, 1933.
[H. J. Res. 154.]
[Pub. Res., No. 47.]

To authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

District of Columbia. Merger of street railway, etc., corporations authorized.
Vol. 43, p. 1265.

Whereas pursuant to the Act entitled "An Act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved March 4, 1925, a form of agreement to carry this into effect and providing for the formation of a new corporation to be known as the Capital Transit Company to acquire properties and/or stocks or securities, and to succeed to the powers and obligations of the Capital Traction Company and to succeed to the powers and obligations of the Washington Railway and Electric Company directly connected with or relating to the operation of street railway and bus transportation, has been approved by the Public Utilities Commission of the District of Columbia as follows:

UNIFICATION AGREEMENT

Unification agreement.

Statutory authorization.

Whereas the Act entitled "An Act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved March 4, 1925, provides "that any or all of the street-railway companies operating in the District of Columbia be, and they are hereby, authorized and empowered to merge or consolidate, either by purchase or lease by one company of the properties, and/or stocks or securities of any of the others, or by the formation of a new corporation to acquire the properties and/or stocks or securities and to succeed to the powers and obligations of each or any of said companies under such terms and conditions as may be agreed upon by vote of a majority in amount of the stock of the respective corporations, and as may be approved by the Public Utilities Commission of the District of Columbia: *Provided*, That no merger of said companies shall be finally consummated until the same is approved by a joint resolution of Congress. Such new corporation shall be incorporated under the provisions of Subchapter IV, Chapter XVIII of the Code of Law of the District of Columbia as far as applicable, with issues of stock at a stated par value and/or of no par value, as may be approved by the Public Utilities Commission"; and

Agreement by stockholders.

Proviso. Approval of Congress.

Requirements.
Vol. 31, p. 1234.

Parties in interest.

Whereas the Washington Railway and Electric Company (hereinafter referred to as the "Washington Company") and the Capital Traction Company (hereinafter referred to as the

“Capital Company”), street railway companies now operating in the District of Columbia, are organized in accordance with special Acts of the Congress of the United States for the purpose of carrying on street railway and other business; and

Whereas it is deemed advisable, for the purpose of greater efficiency and economy of management and for the benefit and advantage of the public and of the stockholders of said companies, that their transit properties used in the business of street railway and bus transportation within the District of Columbia or between the District of Columbia and adjacent States, and such other property and assets, real and personal, tangible and intangible, as may be described in this agreement shall be placed under unified ownership and operation; and

Unified ownership of transit properties, etc.

Whereas the premises, covenants, agreements, grants, terms, and conditions herein have been approved by the Public Utilities Commission of the District of Columbia:

Approval by Public Utilities Commission.

Now, therefore, if and when the said premises, covenants, grants, terms, and conditions herein contained are agreed upon by a vote of a majority in amount of the stock of the respective corporations, their respective properties as hereinafter described shall be transferred to and vested in the New Company and the mode of carrying the same into effect shall be as follows:

Terms and methods.

First: The name of the New Company shall be Capital Transit Company (hereinafter referred to as the “New Company”).

Name.

Second: The New Company shall be incorporated under the provisions of Subchapter IV of Chapter XVIII of the Code of Law of the District of Columbia and pursuant to an Act of Congress entitled “An Act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes,” approved March 4, 1925, with power subject to the approval of the Public Utilities Commission to acquire, construct, own, and operate directly transit properties within the District of Columbia and in adjacent States, including the power to acquire, own, and either directly or through subsidiaries operate the properties to be conveyed to the New Company in accordance with this agreement, and to acquire and own the stock and/or bonds of said companies and of any other company or companies engaged in the transportation of passengers by street railway or bus in the District of Columbia and adjacent States with the power to mortgage its property, rights, and franchises, and to conduct such other activities as may be useful or necessary in connection with or incident to the foregoing purposes, including the power to buy, sell, hold, own, and convey real estate within and without the District of Columbia. Said New Company when incorporated shall become and remain subject in all respects to regulation by the Public Utilities Commission of the District of Columbia or its successors to the extent of the jurisdiction now or hereafter vested in it or them by law over corporations engaged in the transportation of passengers by street railway or bus within the District of Columbia: *Provided*, That before they are recorded, the articles of incorporation and/or any amendments thereto shall be approved by the Public Utilities Commission.

Incorporation.
Vol. 31, p. 1284.

Powers.

Post, p. 819.

Proviso.
Approval of articles.

Third. The board of directors of the New Company shall consist of fifteen persons. Of the fifteen original directors, seven shall be nominated by the Washington Company, seven by the Capital Company, and one, to hold office for two years, shall be agreed upon by the fourteen nominated as above. Of the directors so to be initially nominated by the Capital Company, five shall hold office for three years and two shall hold office for two years.

Directors.

Of the directors so to be initially nominated by the Washington Company, two shall hold office for two years and five shall hold office for one year.

The directors shall be stockholders and at least nine of them bona fide residents of the District of Columbia, and shall, except as hereinbefore provided, be elected annually by the stockholders at such time and place as shall be determined by the by-laws of the company. The officers of the New Company shall be selected by the board of directors.

Rules, regulations,
and by-laws.

Fourth. The New Company shall have such rules, regulations, and by-laws as the directors shall adopt not contrary to its charter or to the laws in force in the District of Columbia. The duties and powers of the directors and the duties and powers of the officers of the company shall be such as are set forth in the by-laws.

Stock issues.
Approval of, by
Public Utilities Com-
mission.

Fifth. The authorized number and par value of the shares of stock of the New Company, the number of shares of stock to be issued originally for the purpose of the unification and in payment for the properties of the Capital Company and the Washington Company to be acquired hereunder, the bonded indebtedness of the New Company, the division of the stock issued by the New Company between the Washington Company and the Capital Company shall all be as approved by the Public Utilities Commission of the District of Columbia: *Provided*, That the original bonded indebtedness and stock liability of the New Company shall not be in excess of the total amount of the stocks, certificates of stock, bonds, or other evidences of indebtedness then outstanding against the Capital Company and the Washington Company.

Proviso.
Limit.

Additional issues.

Sixth. After the original issue of stock for the purposes of the unification, additional shares of stock and/or additional bonds or other evidences of indebtedness may, subject to the approval of the Public Utilities Commission of the District of Columbia, be issued by the Directors from time to time for cash or in payment for bonds, or property, or to reimburse the treasury for capital expenditures.

Orders of Public
Utilities Commission.

Seventh. Approval of this agreement by Joint Resolution or Act of Congress of the United States shall constitute and confer jurisdiction on the Public Utilities Commission to issue any order reasonably necessary to secure the operating and/or other economies contemplated by this merger, and to order reasonable extensions and/or reasonable abandonments of tracks and/or facilities. And said orders shall have the same legal effect and be enforceable in the same manner as other orders of said Commission.

Transactions upon
organization of New
Company.

Eighth. Upon the organization of the New Company, the following transactions shall be carried out substantially simultaneously:

Transfer and vesting
of Capital Company
assets, etc.

A. The Capital Company shall vest in the New Company all of its current assets, all moneys or securities of every form owned by it, whether held as cash, securities, choses in action, or special funds of any nature, all of its estates, lands, rights, powers, privileges, licenses, franchises and properties, real and personal, tangible and intangible, of every kind (including without limiting the generality of the foregoing, two hundred and two shares of the par value of \$50 per share of the capital stock of the Washington and Maryland Railroad Company out of a total of two hundred and two shares issued and outstanding, \$66,000 principal amount of 6 per centum bonds of said Company, due January 15, 1947, and a demand note for the principal amount of \$20,500 bearing interest at the rate of 6 per centum per annum made by said company indorsed to the Capital Company), and shall transfer to

the New Company all existing operating and other contracts and/or rights (subject to all conditions of said contracts) and shall execute all deeds, assignments, and/or other conveyances requisite for such purpose.

In consideration therefor the New Company shall—

Consideration therefor.
Issue of capital stock.

(a) Issue to the Capital Company such shares of its capital stock and/or other securities as may be agreed upon by the Capital and Washington Companies and approved by the Public Utilities Commission of the District of Columbia.

Assumption of liabilities, etc.

(b) Assume and discharge as the same mature all of the liabilities of the Capital Company, such liabilities to be not exceeding \$5,800,000 principal amount of Capital Traction first mortgage bonds bearing interest at the rate of 5 per centum per annum, due June 1, 1947 (in addition to \$200,000 principal amount thereof now in the treasury of the Capital Company which shall be canceled on or before the date of closing hereunder), and current liabilities arising in normal conduct of the business.

Liquidation and dissolution of Capital Company.

It is understood and agreed that to carry out the intent thereof the Capital Company shall and will, as soon as may be possible after the date of closing as hereinafter defined, make distribution to its stockholders, liquidate and dissolve, and that to this end approval of this agreement by joint resolution or Act of the Congress of the United States shall constitute and confer all necessary authority to the Capital Company to liquidate its assets by distributing amongst its stockholders, in proportion to their several holdings of stock in said company, the shares of stock of the New Company which it shall have received as the consideration for the sale, transfer, and conveyance of its property to the said New Company as provided herein, and thereupon to liquidate its affairs and dissolve its corporate existence: *Provided*, That the existing liabilities of the said Capital Company and the rights of its creditors shall not be affected thereby, and that such creditors shall have, as to the New Company upon the transfer of property to it as aforesaid, all rights and remedies which they may then have as to the Capital Company: *And provided further*, That no action or proceedings to which the Capital Company is a party shall abate in consequence thereof, but the same may be continued in the name of the party by or against which the same was begun, unless the court in which said action or proceedings are pending shall order the New Company to be substituted in its place and stead: *And provided further*, That the fact of such dissolution in accordance with this provision shall be published once a week for two successive weeks thereafter in at least two daily newspapers of general circulation published in the city of Washington, District of Columbia.

Proviso.
Creditors' rights.

Actions, etc., not abated.

Publication of dissolution.

Date of closing.

The date of closing is hereby defined as the date of the transfer of the properties mentioned herein to the New Company and the delivery of New Company shares to the Capital and Washington Companies in accordance herewith.

B. The Washington Company will vest, or cause to be vested in the New Company all of its physical property, real and personal, Glen Echo Amusement Park (except devices not owned by the Washington Company or Glen Echo Park Company), tracks, lands, buildings, shops, structures, machinery, rolling stock, busses, easements, franchises, rights, operating and other contracts for the use of tracks, power, exchange of facilities, or otherwise, directly connected with, or relating to, and used in the ordinary operation and business of an electric railway, motor bus, public

Transfer of Washington Company property, etc.

Rights, etc., not included.	transportation company and common carrier, situate in the District of Columbia and State of Maryland (subject to all conditions of said contracts), including without limiting the generality of the foregoing, the physical property, rights, and franchises of the Washington and Rockville Railway Company of Montgomery County, used in the operation of said transit business, with the understanding, however, that nothing herein shall be understood to include the transfer of the right of the Washington Company and the Washington and Rockville Railway Company of Montgomery County to exist as corporations or separate corporate entities, nor to include the stock of the Potomac Electric Power Company, the Braddock Light and Power Company, Incorporated, Great Falls Power Company, Potomac Electric Appliance Company, or other investments in stock, bonds, or personal property not connected with or used in the ordinary conduct of the business of said electric railways, nor any cash, bills receivable, credits, or choses in action, except as otherwise herein provided (and that approval of this agreement by joint resolution or Act of the Congress of the United States shall constitute and confer the necessary authority to the Washington Company to retain and hold the aforesaid stocks of the said companies). A general description of the property to be transferred hereunder shall be prepared and delivered to the Capital Company before the final execution of deeds, and the Washington Company shall execute all deeds, assignments, and/or other conveyances requisite for such purpose. It being understood, however, that the Washington Company will transfer to the New Company net current assets equal to the net current assets transferred to the New Company by the Capital Company, as hereinbefore provided, and no more.
Description of property.	The said property of the Washington Company shall be vested in the New Company, subject in so far but only in so far, as the same may by terms of such mortgages, respectively, attach to any part or parts of said property, to the following mortgages or deeds of trust:
Vesting of, subject to existing mortgages.	<p>(1) First Mortgage of the City and Suburban Railway of Washington, dated September 1, 1898, made to the Baltimore Trust and Guaranty Company, as trustee.</p> <p>(2) First Mortgage of the Anacostia and Potomac River Railroad Company, dated April 1, 1899, made to the Baltimore Trust and Guaranty Company, as trustee.</p> <p>(3) Consolidated Mortgage of the Washington Railway and Electric Company, dated March 1, 1902, made to United States Mortgage and Trust Company, as trustee.</p>
Consideration therefor. Issue of capital stock by New Company.	In consideration therefor the New Company shall issue to the Washington Company such shares of its capital stock and/or other securities as may be agreed upon by the Capital and Washington Companies and approved by the Public Utilities Commission of the District of Columbia, and shall assume such of the above-described bonds as may be approved by the Public Utilities ¹ Commission, and in addition shall assume and discharge, as the same mature, liabilities of the Washington Company incident to the transit business to be transferred as aforesaid.
Assumption of liabilities, etc.	Out of the total net current assets received by the New Company there shall be set aside a reserve in an amount sufficient in the opinion of the Public Utilities Commission to liquidate all claims for injuries and damages against the Washington Company and the Capital Company on account of operations prior to the date of
Reserve to liquidate claims.	

¹ So in original.

closing: *Provided*, That any excess or deficit in such reserve remaining after the final liquidation of such claims for injuries and damages shall be credited or debited, respectively, to the surplus of the New Company.

Proviso.
Dispositions at final liquidation.

The New Company is authorized to acquire any or all of the outstanding stock of the Washington Rapid Transit Company (the Bus Company) at the fair value thereof and on such terms as may be accepted by the owners of said shares of stock and may be approved by the Public Utilities Commission; if and when a majority of the outstanding shares of the said Washington Rapid Transit Company is acquired by the New Company, the Washington Rapid Transit Company shall be merged or consolidated with the New Company when and if the Public Utilities Commission shall so require.

Acquisition and merger of Washington Rapid Transit Company.

Ninth. The foregoing is based on the present conditions and business of the participating companies and on the assumption that, in the interval before the consummation of the foregoing transactions, there will be no change in the transit businesses, other than as a result of normal operations or necessary to meet changed operating conditions, and that no distribution will be made to the stockholders of Capital Company, except the regular dividend payments, at not exceeding 7 per centum per annum, and that, subject to such exceptions, the assets and liabilities of the participating companies will be substantially as appears from their balance sheets, as of the 31st of December, 1931, subject to variations in the normal course of business.

Basis.

Tenth. The Washington Company shall cause the Potomac Electric Power Company to enter into a contract with the New Company, subject to the approval of the Public Utilities Commission, said power contract to become effective as of the date of consummation of this merger and run for the life of whichever of the last-mentioned companies expires first, and to provide that the Potomac Electric Power Company, or its successors, and/or assigns will at all times, on request, furnish an adequate supply of electric power for the maintenance and operation of the transit properties of the New Company, and at such reasonable rates as the Public Utilities Commission may from time to time fix. The Washington Company shall assign to the Potomac Electric Power Company all of its existing contracts for the sale of power to other railway companies.

Power contract.

Eleventh. The Washington Company shall remain subject to the jurisdiction of the Public Utilities Commission. Any sinking funds now held by it shall remain available for the discharge of securities for which it remains liable and which are secured directly or indirectly by any lien upon property turned over to the New Company.

Assignment of existing contract.

Jurisdiction of Public Utilities Commission.

Twelfth. Any and all rights with regard to valuations and/or rate bases now possessed by any of the parties to this agreement shall not be prejudiced hereby, and shall be enjoyed by the New Company until a valuation of the properties of the company shall be fixed as now or hereafter provided by law: *Provided*, That nothing contained herein shall deprive the New Company of any rights under the Constitution of the United States.

Rights to valuations and rate bases not prejudiced.

Proviso.
Rights of New Company.

Thirteenth. The New Company shall grant with each street-railway fare a free immediate transfer to any connecting portion of its street-railway lines within the District of Columbia, subject to reasonable rules and regulations to prevent abuse thereof. In addition, transfers between street cars and busses and between bus lines shall be granted under such reasonable terms

Street-railway transfers.

Proviso.
Special fares.

and conditions as the Public Utilities Commission may prescribe: *Provided*, That this shall not be interpreted so as to prevent the Public Utilities Commission from establishing special fares lower than the basic rate without transfer privileges.

Conditions of agree-
ment.

Fourteenth. This agreement is conditioned upon the New Company being relieved from the expense of policemen at street railway crossings and intersections, the laying of new pavement, the making of permanent improvements, renewals or repairs to the pavement of streets and public bridges; and the permanent improvements, renewals, or repairs to public bridges over which the street-car lines operate; except that the New Company shall bear the entire cost of paving repairs or replacements incident to track repairs, replacements or changes made at a time when the street or bridge is not being paved, and shall bear one-half the cost of other paving, repaving, or maintenance of paving between its tracks and for two feet outside of the outer rails, and shall bear the excess cost of construction and maintenance of public bridges, due to the installation or existence of its tracks on such bridges, but nothing herein shall relieve the New Company from liability for street paving as owner of real estate apart from rights of way occupied by its tracks, as set out in the so-called Borland law, approved September 1, 1916, as amended to date, and/or in an Act to provide for special assessments for the paving of roadways and, the laying of curbs and gutters, approved February 20, 1931.

Competitive lines.

Fifteenth. Legislation obtained to effectuate this agreement shall contain a provision that no competitive street-railway or bus line, that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule, shall be established without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia to the effect that the competitive line is necessary for the convenience of the public.

Expenses of unifica-
tion.

Sixteenth. The New Company may defray any reasonable legal and other expenses of unification which may be necessarily incurred in connection therewith subject to the approval of the Public Utilities Commission; provided that these expenses shall be treated in the accounts of the New Company as ordered by the Public Utilities Commission.

Reserves, special ac-
counts, and deferred
charges.

Seventeenth. The New Company upon opening its books of account shall set up reserves, special accounts, and deferred charges equal to the combined reserves, depreciation funds, special accounts, and deferred charges of the Capital and Washington Companies in so far as they relate to depreciation of properties turned over to the New Company or to liabilities assumed by it, other than the reserve for injuries and damages as heretofore provided in paragraph eighth. Such reserves, or accounts, shall be set up in such manner that there shall be continuity of accounting between the books of the Capital and Washington Companies and the New Company: *Provided*, That the New Company shall not be required to maintain any depreciation fund if it sets up a reserve against depreciation at rates fixed therefor by the Public Utilities Commission but may use money and/or securities in any depreciation fund turned over to it in any manner approved by the Public Utilities Commission. Nothing herein provided shall be construed as changing or limiting the jurisdiction of said commission over depreciation accounts of any of said companies.

Proviso.
Depreciation fund.

Eighteenth. Approval of this agreement by the Public Utilities Commission or Congress shall not be taken as approval of the considerations mentioned herein for properties or stocks, nor as binding upon the Public Utilities Commission in any future determination of the fair value of the properties used and useful for the public convenience belonging to the Washington Company, the Capital Company, or to be acquired by the New Company, that may be made in accordance with this agreement.

Effect of approval by Congress or commission.

Nineteenth. The Public Utilities Commission shall fix the rate of fare at 3 cents for school children not over eighteen years of age, going to and from public, parochial, or like schools in the District of Columbia, and shall establish rules and regulations governing the use thereof: *Provided*, That upon the acceptance of this agreement by the parties and the completion of the unification, the provisions of the Act entitled "An Act to provide for the transportation of school children in the District of Columbia at a reduced fare," approved February 27,¹ 1931, shall become inoperative.

School children, rate of fare.

Proviso.
Existing law to become inoperative.
Vol. 46, p. 1419.

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That such unification in accordance with said agreement, and each and every one of the provisions therein, be, and the same are hereby, ratified and approved, and said Capital Transit Company, when organized under the provisions of subchapter 4, chapter 18, of the Code of Law of the District of Columbia, shall have all the powers, benefits, and obligations expressed in said unification agreement, approved as aforesaid; and the Public Utilities Commission of the District of Columbia be, and is hereby, authorized to do all such acts and things as may be necessary or appropriate on its part to carry out the provisions of said agreement and of this resolution. Nothing in this paragraph shall be construed to limit the present powers of the Public Utilities Commission.

Unification agreement approved.

Powers, etc., of Capital Transit Company.
Vol. 31, p. 1284.

SEC. 2. This agreement, hereinbefore set forth, shall be submitted to the stockholders of the Capital Traction Company and the Washington Railway and Electric Company for their action within six months after its approval by the Congress.

Action by stockholders.

SEC. 3. That all provisions of law making it incumbent upon any street railway company to bear the expense of policemen at street railway crossings and intersections, the laying of new pavement, the making of permanent improvements, renewals, or repairs to the pavement of streets and public bridges, and the permanent improvements, renewals, or repairs to public bridges over which the street-car lines operate, are hereby repealed, such repeal to be effective on the date the unification herein authorized becomes operative: *Provided*, That the Capital Transit Company herein provided for shall bear the entire cost of paving, repairs, or replacements incident to track repairs, replacements, or changes made at a time when the street or bridge is not being paved, and shall bear one-half the cost of other paving, repaving, or maintenance of paving between its track and for two feet outside the outer rails, and shall bear the excess cost of construction and maintenance of public bridges due to the existence or installation of its tracks on such bridges: *Provided further*, That nothing herein contained shall relieve said Capital Transit Company from liability for street paving as owner of real estate apart from right of way occupied by its tracks as provided by section 8 of the Act of Congress entitled "An Act making appropriations to provide for the expenses of the government of the Dis-

Provisions for bearing certain expenses repealed.

Proviso.
Paving costs.

Liability as real-estate owner.

Vol. 39, p. 716.

¹ So in original.

trict of Columbia for the fiscal year ending June 30, 1917, and for other purposes," approved September 1, 1916, as amended to date.

Restriction on establishing competitive lines.

SEC. 4. No competitive street railway or bus line, that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule, shall be established without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia to the effect that the competitive line is necessary for the convenience of the public.

Capital Traction Company. Liquidation and distribution.

SEC. 5. That the Capital Traction Company is hereby authorized and empowered, upon the consummation of the aforesaid unification agreement, to dissolve and to liquidate its assets and make distribution among its stockholders in accordance with said agreement: *Provided*, That the existing liabilities of the said the Capital Traction Company and the rights of its creditors shall not be affected thereby, and that such creditors shall have, as to the said Capital Transit Company, upon the transfer of property to it as provided in said agreement, all rights and remedies which they may then have as to the Capital Traction Company: *Provided further*, That no action or proceedings to which the Capital Traction Company is a party, shall abate in consequence thereof, but the same may be continued in the name of the party by or against which the same was begun, unless the court in which said action or proceedings are pending shall order the Capital Transit Company to be substituted in its place and stead: *And provided further*, That the fact of such dissolution in accordance with this provision shall be published once a week for two successive weeks thereafter in at least two daily newspapers of general circulation published in the city of Washington, District of Columbia.

Provisos. Existing liabilities, etc.

Actions, etc., not abated.

Notice of dissolution to be published.

Washington Railway and Electric Company, stock, etc., holdings.

SEC. 6. That the Washington Railway and Electric Company is hereby authorized and empowered to retain and hold stocks and bonds as provided in said unification agreement, and to issue from time to time stocks, bonds, and/or other evidences of indebtedness subject to the approval of the Public Utilities Commission of the District of Columbia.

Washington Rapid Transit Company. Acquisition and merger.

SEC. 7. That in accordance with said unification agreement, the Capital Transit Company to be created as aforesaid is hereby authorized and empowered to purchase all or any part of the outstanding capital stock of the Washington Rapid Transit Company; and said company shall be merged or consolidated with the said Capital Transit Company when and if the Public Utilities Commission shall so require.

Supervision of Public Utilities Commission.

SEC. 8. That nothing contained in this resolution shall be taken as extending or limiting the powers and duties of the Public Utilities Commission except as provided in this resolution and by said unification agreement, and all powers granted by this resolution to the Capital Transit Company shall be exercised subject to the supervision of and regulation by the Public Utilities Commission as provided by law.

Effective date.

SEC. 9. The unification herein provided for shall become effective when but not until agreed upon by vote of more than a majority in amount of the stock of the respective companies and notices to that effect have been filed with the Public Utilities Commission of the District of Columbia within two years from and after the passage of this joint resolution.

Reasonable charges.

SEC. 10. Any and all charges to the Capital Transit Company made by any corporation or person holding a majority of the capital stock thereof for any services shall be proved to be fair and reasonable, and only such part of said charges as the Public Utilities Commission,

subject to the right of appeal to the courts, may decide to be fair and reasonable shall be considered in the determination of rates.

SEC. 11. It is understood and agreed that nothing herein shall be construed as creating any new rights of franchise to use the streets in the District of Columbia for transportation purposes: *Provided*, That the Capital Transit Company shall exercise and succeed to all of the property, rights, and franchises of the Capital Traction and the Washington Railway and Electric Companies, which they are required herein to vest in the Capital Transit Company, subject, however, to the right of the Public Utilities Commission to order reasonable extension or reasonable abandonment of tracks and facilities.

No new franchise rights created.

Proviso.
Succession of rights, etc.

SEC. 12. The Washington Railway and Electric Company, if the unification herein provided for shall become effective, shall remain subject to the jurisdiction of the Public Utilities Commission. Any sinking fund held by it shall remain available for the discharge of securities for which it remains liable and which are secured directly or indirectly, by any lien on property turned over to the Capital Transit Company.

Public Utilities Commission.
Jurisdiction over Washington Railway and Electric Company.

SEC. 13. That Congress reserves the right to alter, amend, or repeal this resolution, or any charter or certificate of incorporation made thereunder, and any and all rights of franchise created by this resolution shall terminate one year following its repeal.

Rights reserved.

Approved, January 14, 1933.

[CHAPTER 11.]

AN ACT

To enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

January 17, 1933.
[H. R. 7233.]
[Public, No. 311.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Philippine Independence Act.

CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

Constitutional convention.

SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, within one year after the enactment of this Act, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this Act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

Election of delegates.

Territory included.
Vol. 30, p. 1755.

Vol. 31, p. 1942.

CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

Character of constitution.

SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto, contain provisions to

Form and contents.