

SENATE . . . . . No. 236.

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Commonwealth of Massachusetts.

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REPORT OF THE COMMITTEE ON RAILROADS UPON THEIR  
INVESTIGATION IN RELATION TO THE LEASE OF THE  
CONNECTICUT RIVER RAILROAD BY THE BOSTON &  
MAINE RAILROAD.

The joint committee on Railroads, who were ordered to investigate the conduct of the Boston & Maine Railroad in all matters pertaining to the lease of the Connecticut River Railroad by the Boston & Maine Railroad, gave public notice of a hearing before them upon the subject matter of said order, and have heard all persons who have wished to be heard in relation thereto, and they submit herewith their report.

The senator who introduced the order appeared and stated to the committee in substance, that he introduced the order with no other desire than to protect the interests of his constituents and the public, and to afford those living on the line of the Connecticut River Railroad, as well as any other person who should have complaint to make in relation to the lease, or the operation of the road under it, an opportunity to be present and to be heard; that since introducing the order, he had made diligent inquiry in the western part of the State and had not found that dissatisfaction among stockholders and others that he had reason to believe might exist. That having found no complaint among the different parties whose interests he represented, he left the matter with the

committee, so that if any person desired to proceed further with it, they could have a chance to be heard.

At the request of the committee the counsel for the railroad then made a statement of what they understood to be the facts and circumstances which led to the taking of the lease; that when the lease was made, the directors of the Boston & Maine Railroad believed it was necessary to prevent the diversion of traffic from the Boston & Maine Railroad and from Boston and the Commonwealth of Massachusetts to rival lines and states; that the directors personally received no pecuniary advantage therefrom, and did what they believed under the circumstances to be their duty toward their stockholders and the public interested in the traffic coming to Massachusetts over their railroad system.

After hearing counsel for the railroad your committee requested the Railroad Commissioners to be present and make any statements that they should deem proper. The chairman of the Railroad Commissioners complied with the request, and having heard the order read, stated in substance, that the commissioners adhered to the statements made by them in their report, and the opinions therein set forth.

He then spoke as follows:—

“ I want to say this in explanation of the attitude of the board with respect to the railroad corporation which seems to be specially named in that order of investigation. I want to say that the board, in whatever it said in that report, intends no reflection, and would happily be justified in no reflection upon the present management of the Boston & Maine railroad corporation. Since that transaction occurred, there has taken place a change in that management, which to the Board of Railroad Commissioners is attended with great promise and hope for the future, and I should be sorry, I should be very sorry if any gentleman upon this committee, or if any gentleman in the Legislature, or in the public, should believe or think that what is said in that report in regard to that transaction in any way reflects or ought to reflect upon the present able management of the Boston & Maine Railroad. It relates to a by-gone transaction. It relates to things which occurred under a different management, and it is not intended, as I have already said, to reflect upon any official or any di-

rector who is now connected with the Boston & Maine Railroad.”

He further said, “ that he could not state that there was any illegality about the transaction ; that he knew of no law to prevent a repetition of the same thing, and that in his opinion nothing useful would be gained by further pursuing the inquiry.”

Your committee made such further investigation in relation to the lease as they deemed necessary, and after waiting a reasonable time to enable any person who had any interest in pressing the inquiry to appear before them, and no such person appearing, the hearing was declared closed.

We would call the attention of the Legislature to the fact that the transactions referred to occurred at the very beginning of the session of the Legislature of 1893, and that, although that body was in session for more than five months thereafter, no investigation was ordered or suggested at a time when those who consummated the transaction were still in control of the corporation and responsible for their official acts.

General matters pertaining to all quasi public corporations are now before another committee, which has under consideration sundry bills calculated to furnish proper supervision in the future, especially an act prohibiting the issue of stock or scrip dividend, and this committee therefore reports, that no legislation is necessary on the order.

For the Committee,

HENRY S. MILTON.

