

HOUSE No. 114.

Commonwealth of Massachusetts.

EXECUTIVE DEPARTMENT, BOSTON, Jan. 11, 1901.

The Honorable Senate and House of Representatives :

I have the honor to transmit the enclosed communication from the Board of Gas and Electric Light Commissioners for your information and consideration.

W. MURRAY CRANE.

BOSTON, Jan. 10, 1901.

TO HIS EXCELLENCY W. MURRAY CRANE,
Governor of the Commonwealth.

DEAR SIR:— We beg to call your attention to a proposition now pending before the shareholders of the Boston Electric Light Company and the Edison Electric Illuminating Company of Boston, corporations organized under the laws of this Commonwealth and engaged in the supply of electric light, power and heat in the city of Boston, for the leasing of both corporations for a long term of years to a third organization.

By the terms of the proposed lease the new organization is to guarantee annual dividends of ten per cent. upon the stock of the first named company and eleven and a half per cent. upon the stock of the second during the life of the lease, and is to issue at par new capital stock to the amount of not less than \$3,600,000, or about fifty per cent. of the outstanding stock of the two existing companies.

We respectfully suggest that such an arrangement appears to be in violation of the policy of the Commonwealth as declared in the well known anti-stock-watering laws and has a tendency to seriously embarrass, and perhaps wholly defeat the application to these corporations of that wholesome restraint, in the public interest, which is clearly intended by present statutes.

No authority exists in this Board, so far as we are advised, to prevent or in any way control a combination of this character without additional legislation.

The Board, therefore, requests that you will call the attention of the Legislature to the condition of affairs herein described for such action as that body may deem it advisable to take.

This representation is made at this time to avoid the delay incident to the Board's annual report which the law requires to be made in print.

Very respectfully,

For the Board,

FORREST E. BARKER,

Chairman.