

# SENATE . . . . . No. 383.

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## Commonwealth of Massachusetts.

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SENATE, May 28, 1908.

The committee on Railroads, to which were referred so much of the governor's address (Senate, No. 1) as relates to transportation; the petition (with accompanying bills, House, Nos. 606, 607 and 608) of William B. Lawrence for legislation relative to the control, by the New York, New Haven and Hartford Railroad Company or any person or corporation acting in its interest, of stock in the Boston and Maine Railroad and in other railroads, street railways or electric railroads, and for other similar legislation;

The petition (with accompanying bill, House, No. 606) of William B. Lawrence for legislation to prohibit the holding by railroad corporations of securities of other railroad, electric railroad or street railway companies;

The petition (with accompanying bill, House, No. 746) of William B. Lawrence for legislation to restrain the consolidation of railroad corporations;

The petition (with accompanying resolve, House, No. 747) of William B. Lawrence for legislation to provide for the appointment of a commission to investigate the affairs of the New York, New Haven and Hartford Railroad Company;

The petition (with accompanying bill, House, No. 748) of William B. Lawrence for legislation to require railroad corporations to file information relative to subsidiary companies;

The message from the Lieutenant-Governor, Acting Governor, transmitting a communication from the President of the New York, New Haven and Hartford Railroad Company relative to the position of said company on the so called merger (House, No. 1367);

The communication from members of the late Commission on Commerce and Industry transmitting, in response to an order of the House adopted on April 8, all documentary evidence in their possession relating to the merger of the New York, New Haven and Hartford Railroad Company and the Boston and Maine Railroad; and

So much of the report of the Commission on Commerce and Industry, appointed under chapter 104 of the Resolves of the year 1907 as does not relate to taxation, reports the accompanying bill.

For the committee,

WM. O. FAXON.

## Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Eight.

### AN ACT

Relative to the Control of Railroad Corporations.

*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. No corporation, wheresoever incorpo-  
2 rated, which owns, operates, controls, or manages any  
3 railroad, wheresoever situated, shall hereafter directly or  
4 indirectly, acquire the legal or a beneficial interest in, or  
5 control of, any stock in any railroad corporation incor-  
6 porated under the laws of this Commonwealth, or by the  
7 concurrent legislation of this Commonwealth and any  
8 other state, unless the acquisition of such stock or interest  
9 shall have been expressly authorized by a statute of this  
10 Commonwealth.

1 SECTION 2. All stock in any such Massachusetts rail-  
2 road corporation, of which the legal or a beneficial in-  
3 terest is owned directly or indirectly, or which is con-  
4 trolled directly or indirectly by any other corporation  
5 wheresoever incorporated, which owns, operates, controls  
6 or manages any railroad wheresoever situated, shall be  
7 registered forthwith on the books of such Massachusetts

8 railroad corporation in the name of such other corpora-  
9 tion, and unless so registered it shall be unlawful for any  
10 person to vote or attempt to vote thereon at any stock-  
11 holders' meeting.

1 SECTION 3. Unless otherwise ordered by some federal  
2 court of competent jurisdiction, the New York, New  
3 Haven and Hartford Railroad Company may continue  
4 to hold until the first day of July in the year nineteen  
5 hundred and ten, the shares of stock of the Boston and  
6 Maine railroad, in which it now has any interest, direct  
7 or indirect, not exceeding one hundred and nine thou-  
8 sand nine hundred and forty-eight shares, and may also  
9 take and hold such additional shares as may be allotted  
10 to it in any increase of the capital stock of said Boston  
11 and Maine railroad, on the same terms, any may receive  
12 dividends thereon; *provided*, that unless otherwise or-  
13 dered, as above provided, none of the shares mentioned  
14 herein shall be disposed of or affected by any agreement  
15 in respect of the ownership thereof, prior to said date,  
16 except with the approval of the board of railroad com-  
17 missioners.

1 SECTION 4. It shall be unlawful for the New York,  
2 New Haven and Hartford Railroad Company to vote or  
3 attempt to vote on any stock in the Boston and Maine  
4 railroad now directly or indirectly owned or controlled  
5 by it. But said stock of the Boston and Maine railroad  
6 now owned or controlled by the New York, New Haven  
7 and Hartford Railroad Company, may, while so owned  
8 or controlled, be voted by the board of railroad commis-  
9 sioners at any stockholders' meeting of the Boston and  
10 Maine railroad, in such manner as they may deem to be  
11 for the best interests of the Commonwealth.

1 SECTION 5. The board of railroad commissioners shall  
2 investigate the railroad situation in the Commonwealth  
3 and especially as to what shall best conserve and develop  
4 the commercial interests and the transportation facilities  
5 of the Commonwealth, and shall report its recommenda-  
6 tions, and also as to what disposition shall be made of  
7 said stock, to the general court on or before the twelfth  
8 day of January in the year nineteen hundred and ten.  
9 Said board shall have authority to summon witnesses and  
10 enforce their attendance, to order the production of books,  
11 papers, agreements, and documents, and to administer  
12 oaths in accordance with the provisions of chapter one  
13 hundred and seventy-five of the Revised Laws.

1 SECTION 6. Any stock which shall hereafter be ac-  
2 quired, held, or controlled in violation of the provisions  
3 of this act, or of section fifty-seven of part two of chapter  
4 four hundred and sixty-three of the acts of the year nine-  
5 teen hundred and six, shall not entitle the holder thereof,  
6 or, except as provided in sections three and four of this  
7 act, any other person to receive dividends or to vote on  
8 such stock at any stockholders' meeting while it is so held  
9 or controlled.

1 SECTION 7. Any corporation which wilfully violates  
2 any of the provisions of this act, or of section fifty-seven  
3 of part two of chapter four hundred and sixty-three of  
4 the acts of the year nineteen hundred and six, shall be  
5 punished for each offence by a fine of not more than  
6 twenty-five thousand dollars. Any person who wilfully  
7 violates any of the provisions of this act, or of section  
8 fifty-seven of part two of chapter four hundred and sixty-  
9 three of the acts of the year nineteen hundred and six, or  
10 aids in the violation thereof, shall be punished for each

11 such offence by a fine of not more than five thousand dol-  
12 lars, or by imprisonment in the state prison for not more  
13 than one year, or by both such fine and imprisonment.

1 SECTION 8. The supreme judicial court shall have full  
2 jurisdiction in equity upon petition of the attorney gen-  
3 eral, or of any stockholder in any such railroad corpora-  
4 tion, to compel the observance of and to restrain any vio-  
5 lation of the provisions of this act.

1 SECTION 9. This act shall take effect, so far as is  
2 necessary to permit the New York, New Haven and Hart-  
3 ford Railroad Company to vote thereon, upon its pas-  
4 sage, and so far as sections three and four are concerned  
5 shall take full effect upon their acceptance by a vote of  
6 the directors of the New York, New Haven and Hartford  
7 Railroad Company, on or before the first day of July in  
8 the year nineteen hundred and eight.



