

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Seventy-Second Legislature

OF THE

STATE OF MAINE.

1905.

HOUSE.

Wednesday, March 8, 1905.

Prayer by the Rev. Mr. White of Hallowell.

Journal of yesterday read and approved.

Papers from the Senate disposed of in concurrence.

Petition and bill in relation to the charter of the city of Gardiner came from the Senate having been introduced in that body under a suspension of the rules.

The House refused to suspend the rules in concurrence.

First Reading of Senate Bills.

An Act to incorporate the Eagle Lake Telephone Company. (Tabled pending first reading on motion of Mr. Laliberte of Fort Kent.)

Resolve in favor of F. J. Allen of Sanford.

Resolve in favor of I. K. Stetson of Bangor.

An Act to extend the powers of the trustees of Bangor Theological Seminary.

An Act to extend the charter of the Patten Telegraph and Telephone Company.

An Act to prevent sales of merchandise in bulk in defraud of creditors. On motion by Mr. Mills of Hancock this bill was tabled.

An Act to incorporate the Eagle Lake Telephone Company.

An Act to incorporate the Harmony and Wellington Telephone Company.

An Act to incorporate the St. Francis Telephone Company.

An Act to enable William G. Barter to construct and maintain weirs near Whittimore's Cove in the waters of Penobscot Bay.

Bill, an act making the salary of the Governor three thousand dollars per year after January first, 1907, came from the Senate amended by prefixing a title "an act to fix the salary of the Governor."

The House adopted the amendment and the bill was read twice and assigned for tomorrow morning for its third reading.

Resolve in favor of the town of Fort

Kent in the county of Arceetook to assist in building a bridge across Fish River in the town of Fort Kent.

Two petitions for the passage of a bill giving blacksmiths a lien on their work, came from the Senate placed on file in non-concurrence.

The House receded and concurred with the Senate in its reference.

Twenty-one petitions for the proper labelling of proprietary medicines and a bill for the enactment of a law that will clothe the Chief Executive with authority to enforce the prohibitory law and a petition for the passage of the Sturgis bill, having been referred by the House to the committee on temperance, came from the Senate placed on file by that branch in non-concurrence.

The House receded and concurred with the Senate in its action.

A petition in favor of the bill to increase the rate of taxation on railroads, having been referred by the House to the committee on taxation, came from the Senate placed on file by that branch in non-concurrence.

The House receded and concurred with the Senate in its action.

The following petitions, bills, etc., were presented and referred:

By Mr. Kimball of Rockland: Remonstrance of C. H. Moor & Co. and eight other concerns of Rockland against same.

By Mr. Lanigan of Waterville: Remonstrance of George W. Dorr and seven others against same.

By Mr. Josselyn of Portland: Remonstrance of W. L. Wilson & Co. and 26 others of Portland against same; remonstrance of William Henry Hobbs and 23 others of Portland against same; remonstrance of W. P. Millay and 15 others of Portland against same; remonstrance of Cook, Everett & Pennell and 25 others of Portland against same; remonstrance of J. W. Harper and 30 others of Portland against same.

By Mr. Kinsman of Cornville: Petition of F. L. Tibbetts and others of Ripley in favor of the same.

The SPEAKER: The Chair takes the liberty of suggesting that the Senate have ordered petitions of a similar nature to be placed on file.

On motion of Mr. Buzzel of Old Town, the petitions and remonstrances relating to the labelling of proprietary medicines were placed on file.

Legal Affairs.

By Mr. Reed of Portland: Bill, an act to repeal section 112 of chapter 84 of the Revised Statutes, in relation to the taking of testimony when the party prosecuting or the party defending is an executor or administrator.

Appropriations and Financial Affairs.

By Mr. Smith of Saco: Resolve in favor of a monument marker on the battle ground of Cedar Mountain, Virginia.

Railroads and Expresses.

By Mr. Buzzell of Old Town: Bill, an act to amend section 30 of chapter 51 of the Revised Statutes, relating to railroad branch tracks.

Banks and Banking.

By Mr. Knapp of South Portland: Bill, an act to amend section 23, chapter 48, Revised Statutes, relating to investment of deposits in savings banks.

Temperance.

By Mr. Lanigan of Waterville: Petition of W. I. Sterling and 22 others of Waterville, asking for the passage of the Sturgis bill.

By Mr. Thomas of Topsham: Petition of E. M. Main and 13 others of Topsham in favor of passage of the Act providing for proper labelling of proprietary medicines containing alcohol and narcotic drugs.

By Mr. Baxter of Portland: Petition of S. Bangs and 23 others of Charleston for same; of Rev. C. H. Priddy and 50 others of the Congress Street M. E. church of Portland, for same.

By Mr. Tupper of Bangor: Petition of M. P. Harrigan and 16 others of Bangor protesting against the same.

By Mr. Lanigan of Waterville: Petition of John C. Lashus and 53 others for same; of Clarke L. White for same.

By Mr. Kinsman of Augusta, (By request): Petition of W. S. Thompson and five others for same.

By Mr. Downes of Berwick: Petition of Thomas Kenney and 40 others for same.

By Mr. Webb of Brunswick: Petition of J. H. Riopelle, M. D., and 32 others

of Brunswick, in opposition to the same.

By Mr. Staples of Eliot: Petition of Frank Knight and 10 others of Eliot for same.

By Mr. Copp of Cornish: Petition of James Cartland and 21 others of East Parsonsfield for same.

By Mr. Baxter of Portland: Petition of H. A. Merrill and one other of Scarborough for same.

By Mr. Webb of Brunswick: Petition of C. W. P. Foss and others of Brunswick for same.

By Mr. Littlefield of Rockland: Petition of A. Woodside and 21 others for same.

By Mr. Knapp of South Portland: Petition of Loring S. Lombard of South Portland and nine others for same.

By Mr. Tupper of Bangor: Remonstrance of Ara Warren and 60 others of Bangor against same.

By Mr. Merrill of Skowhegan: Remonstrance of Frank W. Bucknam and five others of Skowhegan against same.

By Mr. Baxter of Portland: Remonstrance of H. S. Melcher Co. and nine others, wholesale grocers and druggists of Portland against same.

Taxation.

By Mr. Witt of Norway: Petition of W. B. Lindsay and 17 others of Carroll for Grange school bill; of Alphonzo Moulton and 11 others of Harrison for same; of John B. Danforth and 64 others of Brownfield for same.

By Mr. Martin of Rumford: Petition of E. E. Caldwell and 64 others of Canton for same; of Mandeville Hall and 22 others of Peru for same.

By Mr. Tupper of Bangor: Petition of Amos G. Fitz and 35 others of Kenduskeag for same.

By Mr. Downes of Berwick: Petition of James E. Littlefield and 31 others of Ogunquit for same.

By Mr. Cobb of Gardiner: Petition of F. S. Collins and 44 others of West Gardiner for same.

By Mr. Bradford of Livermore: Petition of V. P. DeCosta and 20 others of Turner for same.

By Mr. Walker of Lovell: Petition of L. R. Mason and 18 others of Lovell for same; of William Allen and 25 others of Denmark for same.

By Mr. Jones of Searsmont: Petition

of F. C. Walker and 63 others of Brownfield for repeal of Section 25 of Chapter nine of the New Revision of the Statute; petition of A. P. Clifford and 17 others of South Thomaston for same; of F. S. Collins and 20 others of Gardiner for same; of R. S. Thorndike and 13 others of Rockland for same; of Mandeville Hall and 17 others for same.

On motion of Mr. Higgins of Limerick, the petitions in relation to repeal of Section 25 of Chapter nine of the New Revision of the Statute, were placed on file.

Reports of Committees.

Mr. Newcomb from the Committee on the Judiciary, reported "ought not to pass" on resolution proposing an amendment to the constitution of the State of Maine, relative to establishing a people's veto through the optional referendum and a direct initiative by petition and at elections.

Mr. Hale from same committee, reported same on bill "An Act to incorporate the Wilton Village Corporation."

Mr. Higgins from same committee, on petition of James M. Ryan and others to grant to women of the State of Maine the right of full and equal suffrage, reported that the petitioners have leave to withdraw.

Mr. Poor from the Committee on Appropriations and Financial Affairs, on order of the legislature relating to an increase of the pay of the clergymen officiating in the Senate and in the House during the present session of the legislature to five dollars for each day's service, reported that legislation thereon is inexpedient.

Mr. Knapp from the Committee on Banks and Banking, on order of the legislature relating to investigation of private banking business, reported that legislation thereon is inexpedient.

Mr. Scribner from the Committee on Military Affairs, reported "ought not to pass" on resolve in favor of soldiers of the Spanish war who received medicinal treatment at their homes.

Same gentleman from same committee, reported same on resolve in favor of W. H. Watson.

Same gentleman from same committee on resolve in favor of a Maine

soldiers' monument at the National Cemetery at Salisbury, North Carolina, reported that the same be referred to the next legislature.

Mr. Peacock from the Committee on Shore Fisheries, on petition of Willard Rice and others, praying that Section 1 of Chapter 251 of the Private and Special Laws of 1903, relating to the taking of smelts, may be amended, reported that the petitioners have leave to withdraw.

The reports were accepted and sent to the Senate.

Mr. Newcomb from the Committee on the Judiciary, reported "ought to pass" on bill "An Act to amend Section 10 of Chapter 12 of the Revised Statutes, relating to the amount of fines for the law library for counties."

Mr. Littlefield from same committee, reported same on bill "An Act additional to and amendatory of Chapter 29 of the Special Laws of 1887, entitled 'An Act to incorporate the Kennebec Light and Heat Company.'"

Same gentleman from same committee, reported "ought to pass" in new draft under same title on bill "An Act to amend Section 2 of Chapter 46 of the Revised Statutes, relating to interest on loans of personal property."

Mr. Powers from same committee, reported "ought to pass" in new draft on bill "An Act to authorize the Augusta Water District to acquire the property and franchises of the Devine Water Company, under title of 'An Act to amend the charter of the Devine Water Company.'"

Mr. Gray from the Committee on Legal Affairs, on petition of Leroy R. Flye and 7 others of North Brooklin, county of Hancock, asking permission to extend a wharf into the tide waters of Bluehill bay, reported bill "An Act to authorize the North Brooklin Wharf Company to extend a wharf into the tide waters of Bluehill bay at North Brooklin, county of Hancock."

Same gentleman from same committee, reported "ought to pass" in new draft under same title on bill "An Act to incorporate the Darforth Water Co."

Mr. Oakes from same committee, reported "ought to pass" in new draft on bill "An Act to authorize the Maine

Baptist Convention to assume control of the First Baptist church in the town of Hampden, Penobscot county, under title of "An Act to authorize and empower the First Baptist church of Hampden to convey certain property to the Maine Missionary Convention."

Mr. Baxter from same committee, reported "ought to pass" in new draft under same title on bill "An Act to incorporate the Midland Power Co."

Mr. Knapp from the Committee on Banks and Banking, reported "ought to pass" on bill "An Act to incorporate the Old Town Trust Co."

Same gentleman from same committee, reported same on bill "An Act to extend the charter of the Hallowell Trust Co."

Same gentleman from same committee, reported same on bill "An Act to extend and amend the charter of the Pepperell Trust Co."

Same gentleman from same committee, reported same on bill "An Act to extend the charter of the Tyler-Fogg Trust Co."

Same gentleman from same committee, reported same on bill "An Act to incorporate the Orono Trust Co."

Same gentleman from same committee, reported "ought to pass" in new draft under same title on bill "An Act to incorporate the Searsport Trust Co."

Same gentleman from same committee, reported "ought to pass" in new draft under same title on bill "An Act to incorporate the United States Trust Co."

Mr. Sawyer from the Committee on Shore Fisheries, on petition of C. R. Stickney and others, praying that Section 44 of Chapter 41 of the Revised Statutes, relating to close time on smelts be amended, reported bill "An Act to amend Section 44 of Chapter 41 of the Revised Statutes, relating to close time on smelts."

Mr. Baldwin from same committee, reported "ought to pass" on bill "An Act to amend Section 3 of Chapter 50 of the Private and Special Laws of 1821, as amended by Chapter 161 of the Private and Special Laws of 1848, as amended by Chapter 171 of the Private and Special Laws of 1862, as amended by Chapter 413 of the Private and Special Laws of 1903, relating to extending the time of controlling the wa-

ter at the alewife fishery at Damariscotta Mills."

Mr. Purinton from the Committee on Agriculture, reported "ought to pass" in new draft under same title on resolve to amend Chapter 191 of the resolves of 1893, relating to industrial exhibits."

Mr. Hastings from the Committee on Taxation, reported "ought to pass" in new draft under same title on bill "An Act to amend Chapter 10 of the Revised Statutes, relating to the collection of taxes on organized plantations taxed as wild lands."

Mr. Russell from the Committee on Appropriations and Financial Affairs, reported "ought to pass" on resolve in favor of the Maine State Prison.

The reports were accepted and bills and resolves ordered printed under joint rules.

Mr. Baldwin from the Committee on Shore Fisheries, reported "ought to pass" on bill "An Act for the better protection of shell fish."

The report was accepted.

On motion of Mr. Grant of Freeport, rules were suspended the bill took its three several readings, passed to be engrossed and was sent to the Senate.

Passed to be Engrossed.

An Act relating to plumbers and plumbirg.

An Act to confirm the organization of the Sebec Power Co., and amend its charter extending its corporate powers and purposes.

An Act to amend Section 2 of Chapter 406 of the Private and Special Laws of 1850, entitled "An Act creating the Norway Village Corporation."

An Act to extend the charter of the Buckfield Water Power and Electric Light Co.

An Act to authorize the construction and maintenance of a wharf into the tide waters of Casco bay on the island of Little Chebeague, situated in the town of Cumberland and the city of Portland, Maine.

An Act to authorize E. S. Everett and others to erect and maintain a wharf into the tide waters of Casco bay in the town of Freeport.

An Act to amend Section 23 of Chapter 83 of the Revised Statutes, relating to orders for service.

- An Act relating to trustee process.
- An Act to legalize and make valid the acts of Phillips Village Corporation.
- An Act to amend Section 101 of Chapter 4 of the Revised Statutes relating to harbors.
- An Act granting Ithiel C. Blackman the right to maintain a ferry.
- An Act to extend and amend the charter of the Waterville and Winslow Bridge Co.
- An Act to amend Chapter 391 of the Private and Special Laws for the year 1903 relative to the Farmers' Telephone Co. enlarging its territory.
- An Act to repeal the first clause of sub-division entitled "In Washington County" of Section 1, Chapter 407 of the Private and Special Laws of 1903 entitled "An Act to consolidate and revise certain laws relating to closing certain lakes and ponds to ice fishing, etc."
- An Act relative to the artificial cultivation of fish by riparian proprietors.
- An Act for the protection of fish in the tributaries of Upper Kezar pond, Oxford county.
- An Act to amend Section 13 of Chapter 32 of the Revised Statutes relative to the manner of hunting and catching wild hares or rabbits.
- An Act to incorporate the Kittery Water and Electric Light Co. (Tabled pending third reading on motion of Mr. Staples of Elliot.)
- An Act to prohibit the taking of oysters from Dyer's and Sheepscot rivers in the county of Lincoln.
- An Act to repeal Chapter 264 of the Laws of 1824, as amended by Chapter 459 of the Laws of 1827, and Chapter 258 of the Laws of 1887, relating to the fisheries in the waters of Vinalhaven.
- An Act to amend Section 1 of Chapter 462 of the Private and Special Laws of 1897, relating to the taking of alewives in Bagaduce river.
- An Act to amend the charter of the Augusta Trust Co.
- An Act against the wilful destruction of fish in the bays, harbors or rivers of this State.
- An Act prohibiting the use of titles ordinarily applied to banks and trust companies by other than duly authorized banking corporations.
- An Act to extend the charter of the Bluehill Trust and Banking Co.
- An Act to amend Section 19 of Chapter 77 of Revised Statutes relating to title by descent.
- An Act to amend an act authorizing a topographic survey of the State.
- An Act regulating the sale of bonds and other obligations issued on the installment plan by foreign corporations.
- An Act to incorporate the Stonington Trust Co. (Tabled pending third reading on motion of Mr. Hale of Portland.)
- An Act to incorporate the Fidelity Trust Co. of Portland, Maine.
- An Act to amend Section 16 of Chapter 24 of the Revised Statutes relating to the law of the road.
- An Act additional to Chapter 93 of the Revised Statutes relating to "mechanics' liens."
- An Act to amend Section 12 of Chapter 140 of the Revised Statutes relating to coroner's inquests.
- An Act to amend the Revised Statutes, Chapter 125, Section 48, relating to cruelty to animals.
- An Act to incorporate the North Chesterville Light and Power Co. in the village of North Chesterville in the towns of Chesterville and Farmington in the county of Franklin.
- An Act to authorize the removal of bodies of deceased persons from the Freedom cemetery, in the town of Freedom.
- An Act to amend Chapter 34, Section 3, of the Revised Statutes relating to notaries public.
- An Act to amend Section 1 of Chapter 59 of the Revised Statutes, by providing for the incorporation of yacht clubs.
- An Act to amend Chapter 64 of the Private and Special Laws of 1899, as amended by Chapter 472 of the Private and Special Laws of 1901, and Chapter 48 of the Private and Special Laws of 1903, relating to the Wilson Stream Dam Company.
- An Act to authorize the Emerson Lumber Company to erect and maintain dams across the west branch of the Mattawamkeag river in the town of Island Falls in the county of Aroostook.
- An Act to regulate fishing in Mattawamkeag lake.
- An Act to regulate fishing in Chepenicook lake, sometimes called Spednic

lake, in the county of Washington.

An Act to regulate the taking of white perch and black bass in Whitney and Hogan ponds, in the county of Oxford, also Tripp pond, in the county of Androscoggin. (Tabled pending third reading on motion of Mr. Belleau of Lewiston.)

An Act to amend Paragraph 6, entitled "Oxford County," of Section 3 of Chapter 407 of the Private and Special Laws of 1903, relating to fishing in the Magalloway river and its tributaries. (Tabled pending third reading on motion of Mr. Hastings of Bethel.)

An Act relating to fishing in Lufkin pond, Franklin county.

An Act to amend Section 12 of Chapter 4 of the Revised Statutes of 1903 as amended by Chapter 335 of the Public Laws of 1903. (Tabled pending third reading on motion of Mr. Merrill of Skowhegan.)

An Act to authorize the Mattawamkeag Lumber Company to erect and maintain piers and booms in the west branch of the Mattawamkeag river and Fish stream.

An Act to incorporate the VanBuren Light and Power Company.

An Act to incorporate the Hastings Brook Improvement Company.

An Act to amend Section 3 of Chapter 41 of the Revised Statutes of 1903, relating to sea shore fisheries.

(Tabled pending third reading on motion of Mr. Baldwin of Boothbay Harbor.)

An Act to regulate fishing in the south branches of the Sandy river, in Franklin county.

An Act for the protection of muskrats in the towns of Hartland, Harmony, Athens and Palmyra, in the county of Somerset.

An Act to repeal Chapter 415 of the Private and Special Laws of 1903 annexing certain islands to the town of Phippsburg.

An Act to regulate the purchase of milk or cream by creameries.

An Act authorizing Samuel Sylvester to build a wharf into the waters of Small Point Harbor, in town of Phippsburg, in said State.

An Act to extend the charter of the Houlton and Woodstock Electric Railroad Co.

An Act to amend Section 8 of Chapter 117 of the Revised Statutes relating to constables.

An Act to amend Chapter 142 of the Private and Special Laws of 1899, entitled "An Act to incorporate the Lubec Water and Electric Light Co."

An Act to authorize the erection of dams, side dams, piers and booms in Higgins stream and Grant brook in the plantation of Brighton and town of Wellington, and in Buzzell brook in the towns of Wellington and Harmony, and to make improvements in said streams.

Resolve in favor of town of Edmunds in the county of Washington in aid of building a bridge across tide waters in said town on road leading through the town of Edmunds to Whiting.

Resolve in favor of the Girls' Orphanage of the city of Lewiston under the auspices of the Sisters of Charity.

Resolve in favor of the town of Greenbush.

Resolve for the purpose of completing the fish hatchery and feeding station at the Rangeley lakes.

Resolve to authorize the land agent to sell and convey certain lands owned by the State in Caribou, now used as a fish hatchery.

Resolve in favor of George N. Drost of Fort Fairfield.

Resolve authorizing a temporary loan for the year 1906.

Resolve in favor of the Norcross Transportation Co.

Resolve in favor of the town of Falmouth.

An Act to amend Section 26 of Chapter 3 of the Revised Statutes, in relation to printing of the different departments

An Act to incorporate the Mount Desert Trust Company.

An Act to incorporate the Bangor and Northern Railroad Company.

Resolve in aid of navigation on Moosehead lake.

Resolve to aid navigation on Schoodic Grand lake.

Orders of the Day.

Taxation of Railroads.

Special assignment: Majority and minority reports of Committee on Taxation, reporting "ought not to pass" and ought to pass in new draft, on Bill,

To amend Revised Statutes relative to taxation of railroad companies.

Mr. MERRILL of Skowhegan; Mr. Speaker and Gentlemen of the House: The bill under consideration, that of increasing the tax on railroads, is one of great importance, not only to the railroad interests of the State of Maine but it is also of interest and importance to every individual citizen within the borders of this great State; and I approach this question with a great deal of timidity because it is one that involves a very large amount in its consideration. A very large amount of money is involved in the consideration of this question, and it is one that should be carefully, candidly and fairly considered by the members of this House. I have prepared a table showing certain things and I will ask that the messengers lay upon the desk of each member of the House a printed copy of the table.

I say it demands careful and candid consideration, and nothing but justice, and even-handed justice should be allowed in any manner to control your votes upon this question. It is undoubtedly the most important question financially that has, or will, come before this session of the Legislature. It involves nearly a quarter of a million dollars; and if the proposed bill which is before you this morning should become a law, it will add to the treasury of the State of Maine by the increase of taxation upon steam railroads in this State the sum of \$225,000.

This may seem to you at the first blush a very large amount of money. Indeed it is. But you must consider that it involves a very large amount of capital and assets owned within the State of Maine, or controlled within the State of Maine, and doing business here to be taxed, nearly one hundred millions of dollars' worth of railroad property within the State of Maine. Now, one of the first and most important principles to be considered is the revenue of the State. How is that revenue to be raised? You will all answer, by taxation. But upon what shall that tax be levied, how shall it be levied, and what amount shall be levied upon the various kinds of property in the State of Maine? The general idea of taxation is that the tax shall be assessed upon

property; and our constitution provides that all property within the State of Maine shall bear its fair and equal and just rate of taxation. Upon all real estate, upon our personal property, generally speaking, the tax is assessed according to its value. A different rule prevails in relation to the taxation of railroads, and for two reasons, and I think it is generally admitted by learned financiers and writers upon economics that the best method of taxing railroads is by taxing them upon their gross receipts. Four years ago in this very hall I heard President Tuttle, President of the Boston & Maine, President of the Maine Central, President of the Washington County Railroad, say that he believed that the method of taxation adopted by our State upon railroads was the best yet devised. Now, the present bill does not change the method of taxation in the least. It simply changes the rate of taxation upon the gross income of the road. If you will look at the table which has been placed upon your desks you will see that the reading is as follows: "The following table shows the gross assets of each railroad operated in the State of Maine, gross transportation receipts in Maine, the gross transportation receipts per mile, the proposed rate of taxation, the proposed tax, the present rate of taxation, the present tax, the increase of tax under the proposed bill and the amount of tax each road would pay on the basis of valuation based upon average rate paid by other property assessed in the State of Maine."

I call your attention to the heading of this table. All railroads not earning in excess of \$1500 gross transportation receipts per mile pay five mills on the dollar of their gross transportation receipts in lieu of all other taxes payable into the treasury, except that their real estate is taxed in the localities where the same is situated and taxed the same as other real estate. This tax, under the present law and under the proposed bill, is what is called an excise tax. Now, when they earn more than \$1500 gross transportation receipts per mile they are taxed under the present law, and not exceeding \$2000, three-fourths of one per cent. upon their gross transportation receipts, and that rate is increased one-

fourth of one per cent. as the gross earnings per mile increase each \$500; so that at \$2000 they pay three-fourths of one per cent., at \$2500 gross transportation receipts per mile they pay one per cent. of the gross transportation receipts. Therefore, I have made this table, I have made it with a great deal of care and a great deal of study, and first I have given the gross assets of each railroad. Then I divide their gross assets—and that is the provision of the statute as it now exists—by the entire number of miles operated, which gives the gross earnings per mile, and multiply that by the number of miles in Maine gives the amount upon which the tax is assessed in the State of Maine. For instance, you may take the Bangor & Aroostook Railroad, the first in the list. Their gross assets are \$14,000,000 in round numbers. Their gross transportation receipts are \$1,686,000. Their gross transportation receipts per mile, arrived at by dividing the \$1,686,000 by the number of miles operated, gives \$3951.11. That is their gross transportation receipts per mile. When you get their gross transportation receipts per mile, then you determine the rate as first stated, what their rate of taxation will be. For instance, at \$3951 under the present rate of taxation their taxes would be, as you will see under the heading of "present rate" .0175 per cent. of their gross transportation receipts. You multiply their gross transportation receipts by that number and it gives you their present tax, \$29,515.68. Now, under the proposed bill I start with the same sum, \$1500 as the starting point. Why is that? It is because it is believed, and I think acknowledged by all, that a small road, a new road, earning but little, and being a sort of a public institution in a way, a quasi public corporation, it being of advantage to the State to have these railroads sustained and maintained, instead of taxing them upon the value of their property they tax them upon the ability that the several roads have to pay taxes. In other words, instead of taxing them upon the amount of money that has been invested, they tax them upon their ability to pay taxes. Their earning capacity.

Now, what does that mean? Perhaps I can illustrate it better by an example. Suppose there are two men. They start out as young men together. One man

has a capacity and an ability to earn \$5 or \$6 per day. The other one, a common laborer, with no such ability, earns \$1.50 a day or \$2. Now the man who earns \$1.50 or \$2 a day, by strict economy and frugality lays aside a few hundred dollars, and by and by he buys himself a little home. The fellow that gets his \$5 a day lives up to the very limit of every dollar that he receives, and by and by he has no more than he had to start with. He has lived up to the limit of his income. But the man who by his frugality, by his care and economy, has saved the few hundred dollars and put it into a little home, that man is taxed in the State of Maine on an average 2.047 per cent. annually. Now the man who has had his \$5 or \$6 a day and spent it in living, he is taxed simply a poll tax. Which one of those two men is really the best able to pay a tax and to help maintain our institutions? The one who earns his \$6 a day or the one who earns \$2? There is only one answer. It is the man who earns the \$6. Here are these railroad corporations, here is a railroad that earns up to \$1500 per mile. They are taxed five mills on the dollar. When they earn \$2000 they are taxed seven and one-half mills. When they earn \$2500 gross transportation receipts per mile then they are taxed one per cent. Or, in other words, as their income increases and their ability to pay increases, their tax increases. Now the increase under the law as it exists today is one-fourth of one per cent. upon every \$500 extra earning limited at four per cent. When they earn sufficient to pay four per cent. of their gross transportation receipts under the present law, then they stop paying above that rate. That is, they pay only four per cent., it matters not whether they earn \$8000 or \$12,000 or \$20,000 per mile. Now, the more they earn the more able they are to pay. As I draw this bill in the first instance I made the limit 10 per cent. I think it was just, I do not think it is out of reason, and I have carefully considered. I have carefully figured and looked upon it in almost every view, and in every view I could conceive of as to its bearings upon the road and its bearings upon the individual in the State and upon the owners of the property. The committee on taxation had a long hearing of about five

hours, before which appeared practically the entire railroad interest, I might say, of the State of Maine, fighting any change in this law—there was a president and there were directors of the various roads with their hired attorneys who have been here from the day this Legislature opened and who were the first men that came into this House and who have been the most constant in their attendance upon this House, you might say that they are members of this Legislature and have been for many years, belonging to the third House—those men and the attorneys for the railroads came before the committee and they put forth every argument that they could to the committee as to why the tax should not be increased. And I say to you, Mr. Speaker and gentlemen of the House, there was not one valid reason given and not one claim made, with one exception, but what the roads were amply able to pay the tax as proposed, not one.

I cannot go over all these various roads, some 15 of them. I cannot go into the details of all of them. The roads most affected in this State would be the Boston & Maine, the Grand Trunk, the Canadian Pacific, the Maine Central and the Portland & Rumford Falls.

The Boston & Maine, the Grand Trunk, the Maine Central and the Portland & Rumford Falls roads are the only ones that would pay more than 4 per cent. The Boston & Maine, the Maine Central and the Portland & Rumford Falls under the law as it now exists pay 4 per cent. Your committee on taxation made a minority and majority report. The minority report was signed by two members of that committee, the majority report by six; and they amended the bill and cut down the limit from 10 per cent of the gross transportation receipts to 6 per cent. While I state to you that I believe the bill was absolutely right as it was drawn, yet I agreed that I would accept the report of the minority of that committee and present this matter to you on their report and ask this House to accept the minority report, increasing the tax after \$1500 on each \$250 increase of gross transportation receipts per mile one fourth of one per cent. Now, take the Boston & Maine railroad. Their gross transportation earn-

ings per mile is \$14,585. The rate upon which they are taxed now is 4 per cent. of their gross transportation receipts in the State. Their tax as it now exists is \$91,846. Their tax would be, if you accept the minority report and this bill should become a law, their tax would be 6 per cent upon their gross transportation receipts within the borders of Maine, and it would make their tax \$137,770.23, a gain or an increase in their taxes of \$45,923.40.

Now can they afford it? Is it right or is it just that they should pay this additional amount? The question for you to consider is, would it be just to the Boston & Maine Railroad Company to have them pay into the State treasury of Maine additional taxes to the amount of \$45,000? Let us see. According to their own report, and according to this table as taken from their report, under the proposed bill, adding the \$45,000 to their tax, they will then only pay one-fourth the rate of taxes that they would pay if their property was assessed like yours and like mine. Under the proposed bill, if it becomes a law, if their property was taxed upon its assessed value, the value that they return in their report to the treasurer of the State of Maine, they would then, with the advanced tax of \$45,000, only pay one-fourth of what you pay upon your farm and upon your stock. Is there anything unjust in that? Is the Boston & Maine Railroad corporation a corporation or institution that is poor? Is it a corporation that is not as able to pay taxes as you and I are able to pay taxes in our several localities? What is their stock worth on the market today? One hundred and seventy-five dollars to one hundred and eighty dollars per share, the par value being \$100. What do they pay for dividends to their stockholders? Seven per cent, annually on their common, and six on their preferred stock. Now, I ask you, Mr. Speaker and Gentlemen, is there any man here who owns any bank stock in the State of Maine? If there is one, you know what your rate of tax is in your respective towns or cities. You get about 6 per cent. dividends on your bank stock. Perhaps some of you get seven. But what is the rate of taxation on that bank stock? It is the

value of that stock taxed at par, or a little above par, according to the rate that other property pays in your town; and if you get 6 per cent on your bank stock, you pay into your town treasury, every man of you who owns a dollar of that stock, \$2 out of that six, according to the rate of taxation in your town. You pay 33 per cent. of your income on your bank stock in taxation into the town where you live. The Boston & Maine Railroad, doing business in this State, pays about one-fourth of that amount under this proposed bill. I ask you if there is any injustice in that? I ask the farmer and the householder, upon your property in your respective towns how much do you pay of the net income? Is there any man on the floor of this House who rents a house or a store or a building of any kind to a tenant? What proportion of the income of your real estate do you pay into the treasury of the town where you live as taxes? It may be surprising to some of you to know the ratio of the taxes to the gross income of your real estate, but it is from 25 to 33 per cent. If you have a house that you rent for \$200 a year you will pay about \$50 or \$60 in taxes on it. Take a house in your several towns that is worth \$2500 and how much will it rent for? \$150 or \$200. What will be your tax on it? It will be 2 per cent upon the assessed value, and 2 per cent of the assessed value will be 25 to 30 or 35 per cent. of the gross income of the property, so that when you take it upon the rate of their income, 6 per cent is only one-fourth the amount that you pay of the income of your property in taxes. Take it the other way, and take it by the excise tax, it is one-fourth. It comes out just the same way.

Now, I ask you, is it fair? Is it just to these corporations that they should pay taxes the same as you and I do? If you have a farm it is taxed practically for its full value. I know it is in the locality where I live. The real estate in the town where I live, it is a good town too, is taxed for all that it will sell for. I have had some experience and I know what I am talking about when I talk about the way farms are assessed in my locality; I have bought and sold them; and I never

bought one and paid, except in one instance, so much for it as it was assessed for for taxation purposes. And I never sold but one when I got as much as it was assessed for. I say that the farmers of the State of Maine are paying today, there may be exceptions in different towns, but on an average the farmers of the State of Maine are paying their tax upon the full valuation of their farms, and if the farmer has a horse and a cow and some sheep and a pig on that farm, they are taxed and the tax collector comes around annually and you have to pay. It is right that you should pay taxes. I am perfectly willing to pay taxes, you are willing to pay taxes, we all get the benefit of our money, but I am not willing to pay twenty or twenty-one mills on a dollar on the full valuation of my property when the great rich corporations of the State of Maine only pay six upon theirs. Are you? I submit this question to you, gentlemen, as a business proposition. It is a business proposition that comes home to every individual man in the State of Maine, to every individual property holder, to the widows and the orphans. Take the woman who has a husband upon whom she has relied for the support of herself and family. He is stricken down. The only income they have and the only means of sustaining life is the income from the labor of that husband. He is stricken down and the woman is left alone with her little ones. But the tax collector comes around and that woman with no income whatever, with just a little home, has to pay a tax and levy on the capital that her husband has saved and pay two cents, twenty-one mills, or twenty-five mills or eighteen mills on a dollar, on every dollar that she possesses in the world. I ask you, gentlemen, is it right that those taxes should be levied in that way upon that poor widow woman and those orphans and let these great rich corporations go and pay six mills on a dollar? It is a question that I submit to you and I submit it in all seriousness and you have got to answer it when you vote upon this proposition. You have not only got to answer it to yourselves, you have got to answer it for your constituents, and when you go to your homes after passing upon this question you have got to meet

your constituents and tell them that you voted one way or the other.

Take the Maine Central Railroad, for instance. But before I take that I want to say something more about the Boston & Maine. Take their tax upon their gross transportation receipts earned within the limits of the State of Maine. It is a corporation owned in Massachusetts. Its head office is in Boston. Their officers live in Boston. More than three-fourths of the stock of the Boston & Maine Railroad, yes, more than 90 per cent. of its stock is owned outside of the State of Maine. Now, they have their franchise in the State of Maine. They come here and do business. We are glad of it; they help the State and the State helps them in return. They earn their money here in the State of Maine. They go through our limits. We pass laws and we make appropriations here in this House from session to session to protect the property and the rights of the Boston & Maine Railroad. The State of Maine has its courts open to them; it protects their property and their rights. Pray tell me why shouldn't they bear their equal share of the burdens of taxation? They earn their money here in the State of Maine. That is all the money that we ask to tax, what they earn in the State of Maine. Is it unjust, when we pay that money to them from the pockets of the people of our State, that the people of the State should not have a fair and just share of that property in the way of taxation and the same share that they take from you and from me? I don't want to be misunderstood when I say they are a foreign corporation. I would treat them with the same candor and in the same way that I would treat a home corporation. But is it just that they should come into our State and do business and carry out all of that money and we not even tax them at a fair rate? If it is, then vote against this minority report if you think that is just.

Take for a moment the Maine Central Railroad. There is a road whose stock issue is \$4,988,000, practically five million dollars' worth of stock that is owned by the various stockholders. Where is that stock owned? Seventy-six per cent. of it outside of the State

of Maine. It is not the people of the State of Maine who own that stock. Fifty-one per cent. of it is owned by the Boston & Maine Railroad; and if we went a little further along the history of the Boston & Maine we should find that is owned by the New York Central, so that really the home office of the Boston & Maine and the Maine Central and the Washington County is up in New York city. They are earning their money in our midst, and should they not be taxed according to the other property owned in the State of Maine? What is their stock worth? Their stock today is worth in the market \$175 per share and you cannot buy it at that. This very year, 1904, they increased their rate of dividends from six to seven per cent.; and the stockholders of the Maine Central Railroad stock do not pay one cent of taxation upon their stock. In the limits of this city is one estate that owns in cash value in the market today between \$80,000 and \$90,000 worth of Maine Central Railroad stock, and it does not pay one cent of taxation. The tax under the statute upon their gross transportation receipts exempts the stock. The men that oppose the raising of this taxation upon the railroads say to you, if you increase the tax you must reduce the dividends, you increase the tax of the Maine Central Railroad to six per cent. of its gross transportation receipts and then it will only pay one-half the rate that you pay on your property in the State of Maine, I mean the average rate, of all the cities and towns within the State. The average rate is 2.047 of a cent on a dollar, and if you raise the tax on the Maine Central Railroad to six per cent on its gross transportation receipts they won't pay then one-half of what you are paying. Is there injustice in that, even though they were not able to pay their seven per cent dividends to these stockholders? Why should the stockholders of the Maine Central receive seven per cent upon their stock and you, gentlemen, who own a little stock in a bank should get six per cent. and pay two of it out? You get four and they get seven, then. Not only that, gentlemen, the Maine Central Railroad not only increased their rate of dividend to seven per cent during the year ending June 30, 1904, but they put into

their pockets, I mean added to their assets, \$1,800,000 in addition to their dividends, and I can show it to you from the report of the Maine Central Railroad signed by its President, Lucius Tuttle. Now there is a good deal in keeping books, and the railroad corporations doing business in this State understand perfectly how to keep books and tell the truth in a way, and yet without careful investigation and study, conceal the fact. They go to work and make a permanent improvement and they put it into operating expenses. They do not increase their capital stock, they do not increase their assets, but they are building up their property and putting \$75,000 into operating expenses. It is no more operating expenses than it would be if I should go home and buy a pair of oxen to put upon my farm. Is that operating expenses? Isn't it enhancing my capital? It is simply changing the money into the pair of oxen; it is not operating expenses by any means. Suppose there is some merchant here and he started a year ago last January with \$5000 of stock in his store, and on January first, 1905, he has \$10,000. What is that extra \$5000? Isn't it an increase to that capital stock there? Here the Maine Central have put in \$542,000 of new rolling stock and they call it operating expenses. And they go on making these additions in rails and rolling stock and improvements to their capital stock, and the whole amounts to \$1,808,411.34. Then they figure it out and they appropriate in one place, and one item that is supposed to make up that \$1,800,000 is \$683,000 appropriated to buy new rolling stock for the coming year. They put that into operating expenses. So I say to you, Mr. Speaker and gentlemen, the Maine Central Railroad at the end of the year January 30th, 1904, put aside, besides their dividend of seven per cent, they put aside to the good \$2,000,000. Pray tell me, are they able to pay one-half the rate that you pay upon your property? And if this report of the minority should be accepted and it should become a law, they are not paying one-half of what you pay and of what I pay.

At the hearing before the taxation committee it was claimed by gentlemen representing the various railroads, that

the railroads built up the State of Maine, that our prosperity depended upon the railroads and the railroad interests of the State. Now, that is true. There is no man but will say that the railroads help the State of Maine; but tell me who helps the railroads? Isn't it the people of the State of Maine? Did you ever know a railroad to go where the people had not already gone before? Never. They go there as a business proposition. They go there for the purpose of making money and for no other purpose. When they tell you that they ran a line of railroad into the forests, as one gentleman did before that committee, that himself and Governor Hill were running a road 16 miles into the forest of Northern Maine where there wasn't an inhabitant, nothing but a waterfall there, they were going there to develop the State of Maine. Well, it will have a tendency to develop that section, but what was the moving motive power that impelled them to build that railroad? It was to make money because they own hundreds of thousands of lumber there right along the line of that road, and instead of driving that lumber down the stream they run a little track up into the forest and they load their lumber and haul it to the water power, and they will have a mill there, and they will connect that line of road with the Somerset and then with the Maine Central and so on to Boston. They are doing it to make money. True, they develop the State, but, Mr. Speaker, every laboring man in the State of Maine is helping today to develop the State of Maine. Every honest day's work that is laid out in the State of Maine is a means of developing our State. The laborer works for his hire; the railroad builds its roads for the money that is to be made. Tell me what kind of property it is that the men of great wealth of this country seek everywhere. It is railroad stock above everything else. I was reading in the paper a few days ago of an assemblage of men at a club in New York city and the question came up as to the wealth of the Rothschilds of England, and one member of the club said: "Why, we have richer men than the Rothschilds in the United States. The Rothschild family contains about 16 branches and is only worth about \$700,000,000. We have men in the United States, one man almost worth that." And they went over the list, starting with

Rockefeller with \$500,000,000, and then Carnegie with \$350,000,000, and the Astors and the Vanderbilts and others that were worth \$300,000,000 apiece; and then they went on to define what their property consisted of and it was practically—not all of it, but largely—in the great railroads of the country. The leading financiers of the world have their money invested in railroads. Tell me whether it is good property or not? I centure the prophecy that in 25 years from today you cannot buy a share of railroad stock on the market. It will be held to be transmitted from generation to generation.

Mr. SEWALL of Bath: Mr. Speaker, I would like to ask the gentleman a question.

The SPEAKER: Will the gentleman permit himself to be interrupted?

Mr. MERRILL: Certainly.

Mr. SEWALL: Personally I agree that the railroads should be made in some way to pay a greater tax. The question in my mind, as an unprejudiced listener, is this—how far does the action of the Legislature four years ago, in considering this matter and in determining to raise the \$260,000 on the corporations of the State, which was raised, from the railroads, express, telephone, telegraph and other companies—how far ought that in your opinion, the general assessment on the corporations equally able to pay this tax, how far that ought to act in the judgment of the House against the proposition of taking the railroad companies and assessing them on their valuation?

Mr. MERRILL: And that question suggests to me what Mr. Tuttle, the president of the Boston & Maine and Maine Central railroads, said here at the hearing before the committee four years ago; and also it brings to my mind the reports that have been going around this House ever since this bill was introduced. It has been currently reported by the lobbyists around this House and by certain grangers who have come here lobbying in the interests of the railroad, that there was a distinct understanding, an agreement made between the railroads and the committee and the Legislature that if they would increase their rate of taxation four years ago, as they did, it should be final for a series of years. I was informed of it when that report started, by a member of the committee on taxation, and

he told me I could get his name, and it was Senator Gardner of Penobscot—he said that there was no such understanding in any way or in any particular and no agreement of any kind as is claimed. I took the pains to get a copy of Mr. Tuttle's talk before the committee in 1901 in relation to this question of taxation of the railroads. He goes on to state, first, that the system of taxation which has been adopted by the Legislature of Maine is the best to his mind of any yet conceived, that it is the most equitable and the most just. Now, what does he say in relation to it? He says: "This has stood the test of years." He is speaking of the system of taxation, the excise tax, the tax on gross transportation. "This has stood the test of years. It has been to the supreme court of the United States if I recollect right and been pronounced legal; and if you ask my advice—I do not like to intrude it—I should say, keep your form of law, make such changes as are necessary to bring an increased taxation, and wait. You have another Legislature two years hence, and if you are not satisfied you can make yourselves satisfied. This is not for all time." Now, gentlemen of the House, I know you have had it said to you and argued to you as a reason why you should not support this bill that it was not keeping good faith with the railroads. Right there is the language of Lucius Tuttle made four years ago. I heard him when he made it; he made it on the floor of this House before the committee; and he said to you: "You have another Legislature two years hence and if you are not satisfied you can change it. This is not for all time." That is just what this bill proposes, to change it.

Now, as to the question of the gentleman from Bath (Mr. Sewall)—is it right to tax the railroads and not raise the tax on all other corporations in the State? I say to you, Mr. Speaker and gentlemen, if any of you will take any line of corporations and thoroughly investigate them you will find you will have about all on your hands that you want to attend to during one term of this Legislature. If you think you can take up a proposition that involves \$100,000,000 worth of property and go over it with care, go over it with anxiety, go over it with a feeling that you want to find out what is right, if you

undertake to take up all the express and telephone and telegraph and other corporations in this State and investigate them in like manner, you will find it is more than one man can do during a term of this Legislature. I will say to you, and I will answer my friend from Bath, that I believe these other corporations should be taxed, and that they should pay more tax. I say to you, my friend, that I believe the wild lands of the State of Maine should pay more taxes. I say to you, gentlemen of the House, that I believe that if the corporations of the State of Maine today were paying a fair and reasonable rate of taxation as compared with other property, there would not be the necessity of assessing one bit of taxation on the general property of the State of Maine for State purposes. There would be no State tax, and the farmer and the man who owns property, instead of paying two and three-fourths mills on every dollar that he owns, that two and three-fourths mills would be wiped out entirely and there would be no State tax. The State tax would be paid by the corporations of the State of Maine.

They have an immense amount of property that goes untaxed, and I say it is for the interests of the people, it is for the interest of good government, it is in keeping with the constitution of the State of Maine, it is in keeping with good morals that these properties should be taxed. And I agree with the gentleman that these other properties ought to be taxed. But will the gentleman say, because somebody has not put in a bill to tax other companies, that the railroads should not pay their tax? If one man gets rid of paying his tax is it any excuse why another man should be relieved from doing so, and instead of one man not paying, let two men go and let the balance of the community pay taxes for two instead of for one? Every dollar of tax that any man dodges, somebody else has to pay. And who are the ones that have to pay it? It is the man whose property lies right out open, the man who owns his farm, his little home, his horse and his cow. Those lie wide open; they can be seen, and they are taxed; but the man who has hundreds of thousands of railroad securities or bonds, they are locked up in a safe locker and go untaxed, while if that money was taxed the result would

be that your taxes and mine would be reduced.

There is another objection going around, that we do not need the money. Don't we? One of the gentlemen, a railroad president, came before that committee and said we did not need the money, and there was no use for it. What did the gentleman from Hallowell (Mr. Johnson) say to you the other day was the reason why the committee on appropriations turned down the Sisters of Charity in Lewiston? Because there was no money in the treasury of the State that they could appropriate. He used the able argument that a business man first looks before he makes a contract to pay out money, whether there is any money to pay with. He says, before we appropriate money we must see whether there is anything in the treasury. There was the home for the blind. The gentleman from Hallowell tells you that it was a heart-rending thing for him to turn down these poor institutions asking for help. He was magnanimous—he wanted to help them; but there were no funds with which to pay the bills. I will ask the gentleman from Hallowell if the door is not open here whereby you can get funds with which to take care of those little wandering waifs of the streets of Lewiston, and the blind, and the feeble-minded? If you want funds to provide with homes the blind and the feeble-minded, and it is your duty to take care of them, it is the duty of the State of Maine to do everything in its power to take care of that class of unfortunates, the way is open whereby you can raise the money with which to do it and not burden anybody, not increase the burdens of taxation but decrease it, and yet have a hundred thousand dollars for the feeble-minded and the blind and the waifs and the orphans. Will you do it? I appeal to you, gentlemen of the House, and I ask you that when you come to consider this proposition of increasing the rate of taxation upon these great wealthy corporations, you will consider well the position that you have taken in relation to the appropriations here this winter and that you have turned down worthy objects because you had no means with which to meet the expense.

Now, what are the rights of the railroads as business corporations? They

come to this Legislature from time to time and ask for a franchise. It is given to them. Their great wealth is in the value of their franchises. They invest their money. They are no more and no less than a body of individuals. A railroad corporation is made up of men. The organization is formed for the purpose of giving them a large amount of capital with which to do a large and extensive business. And when we legislate relative to their rights we should consider them just the same as though they were private individuals and our neighbors and our friends. They are. I do not propose to appeal to your prejudices, if you have any, against such a corporation. I have none. I have the greatest respect for them. I believe in concentrating wealth to a certain extent. All great enterprises have got to be carried on by a concentration of capital. No one man can do it. But when you legislate in relation to their rights and their property, do it with the same candor, the same fairness with which you legislate regarding private individuals, for such they are.

Now, Mr. Speaker, the hour is late, and I know there are some other gentlemen who want to speak upon this question, and I want a little more time myself: and I move that this matter be continued to be taken up as the first matter after the orders of the day tomorrow.

The motion was agreed to.

Bill, An Act to amend an Act approved February 9th, 1905, in relation to assessment of taxes on the estate of deceased persons, came from the Senate amended by Senate amendment A.

The House reconsidered the votes whereby this bill was passed to be enacted and passed to be engrossed, Senate amendment A was adopted and the bill was then passed to be engrossed as amended.

On motion of Mr. Higgins of Limerick,
Adjourned.