

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Wm. F. Barry
DOCUMENTS

PRINTED BY ORDER OF

THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1856.

PART SECOND.

Augusta:

FULLER & FULLER, PRINTERS TO THE STATE.

1856.

THIRTY-FIFTH LEGISLATURE.

SENATE.

No. 22.

REPORT.

THE Committee on Railroads and Bridges, to whom was referred the petition of the Directors and Stockholders of the Penobscot Railroad Company, praying that an act to authorize the city of Bangor to aid in the construction of said railroad may be so altered and amended, as to allow said company to anticipate a portion of the loan therein authorized, have had that subject under consideration, and ask leave to

REPORT:

That under the provisions of "an act to authorize the city of Bangor to aid the construction of the Penobscot Railroad," approved March 1st, 1855, that city did afterwards vote to loan its credit, under the conditions named in that act, the 1st and 2d sections of which are as follows:

"SECT. 1. The city of Bangor is hereby authorized to loan its credit to the Penobscot Railroad Company, in aid of the construction of their railroad, not exceeding, however, the sum of one hundred and seventy-five thousand dollars, upon their compliance with the following terms and conditions.

"SECT. 2. If this act shall be accepted as hereinafter is provided, and said company shall, within three years after its approval, produce satisfactory evidence to the mayor and aldermen of said city for the time being, that the right of way

and depot grounds, including the property on Exchange street, known as Roberts' wharf, being all of the property on Exchange street, conveyed by Amos M. Roberts to Gideon Mayo for the consideration of about thirty-seven thousand dollars, has been paid for, extending from its terminus on Kenduskeag steam, in Bangor, to its terminus, in Milford, there uniting and connecting with the Milford and Lincoln railroad, crossing the river at Oldtown either on its track as at present located, or in connexion with the Bangor and Piscataquis canal and railroad company on the bridge erected by said company above the falls, by a right fully and perpetually secured for that purpose, which connexion, the said companies interested, are hereby authorized to make on terms to be mutually agreed upon by them, and to make within the said three years, such changes in the locations of their respective roads, as shall be necessary therefor, in the manner prescribed by law, and that the said road including any such new location is completed and finished, including ballasting, gravelling, and laying the rails, with all the necessary bridges and masonry, culverts, cattle-passes, turn-tables, turn-outs, depots and way stations, and is equipped with all the furniture and apparatus necessary and proper for such road, and with rolling furniture, the property of said company and ready for use, provided said rolling furniture need not exceed in value sixty thousand dollars, all to be done and finished in a style of perfection and completeness equal to that of any first class road in this state, then on such facts being on actual examination found to exist, by the mayor and aldermen of said city, to their satisfaction, they shall certify the same to the city treasurer, and he shall forthwith issue to the directors of said company the scrip of said city, payable to the holders thereof, in the sum of one hundred and seventy-five thousand dollars. The said scrip shall be issued in such sums and at such times as the directors of said railroad company shall desire, payable to the holders thereof, with coupons for interest, payable semi-annually, at the rate of six per cent. per annum, attached, redeemable as follows: ten thousand dollars in ten years from

the date of the first issue of said scrip, and the remainder at the rate of ten thousand dollars a year, each year thereafter, until the whole one hundred and seventy-five thousand dollars is paid."

The company has partially complied with those requirements, and now asks that the acts of March, 1855, may be changed by the passage of an additional act as follows :

"SECT. 1. The Act approved March 1st, A. D. 1855, whereby the city of Bangor was authorized to loan its credit to the Penobscot Railroad Company in aid of the construction of their Railroad, shall be and the same hereby is altered and amended so as to authorize the city to issue to the Directors of said Company, the scrip of said city to the amount of one hundred thousand dollars, whenever said company shall have complied with the conditions prescribed in the said Act of 1855, and completed their road from its terminus on Kenduskeag stream up to and across the Stillwater River in Orono, including the building and completion of the bridge and laying the rails over said stream at said Orono, and shall have ready for use rolling furniture, the property of said company, to the amount of one-half the value required by the aforesaid Act. The balance of said loan (seventy-five thousand dollars) not to be issued until all the conditions of said Act of 1855 are complied with.

"SECT. 2. This act shall not take effect unless it shall be accepted by said company and by a vote of the inhabitants of said city, voting in ward meetings, duly called according to law, within six months after its approval by the Governor, and at least two-thirds of the votes cast at such ward meetings shall be necessary for the acceptance of this act. The return of such ward meetings shall be made to the aldermen of said city and by them counted and declared, and said city clerk shall make a record thereof."

In other words, it desires to anticipate a portion of the loan authorized by the act of 1855.

There are two parties recognized in the act of '55, the railroad company and the city of Bangor. Its conditions were

agreed to by each. The company now asks to have them altered in a very important feature, and the city of Bangor objects, through her proper authorities. The inducements for the citizens of Bangor to loan its credit in aid of the construction of that road, and also that of the Oldtown and Lincoln railroad company, were to secure a railroad communication with the interior and upper country. They were willing to do it under certain conditions. Before the issuing of any scrip to the Penobscot railroad company, the provisions of the act of 1855, require that its whole line of road from Bangor to Milford, shall be substantially completed. The reasons for such a condition are obvious.

The policy of authorizing cities and towns to loan their credit in aid of the construction of railroads, is, to say the least, very doubtful, and the authority should only be granted in cases where the public interests clearly demand it, and then, under such guards and restrictions as will protect them from loss. The responsibility of determining how far such grants of power may be made, rests with the legislature, and it cannot, if it would, relieve itself of the duty of guarding against careless and unwise legislation, on subjects so vitally important. At this time the indebtedness of the railroad corporations in this state, is between nine and ten millions of dollars, of which three and one-half millions, at least, is guarantied by the cities and towns which have loaned their credit. It rests heavily on the communities through which these roads pass, and a long time must elapse before it will be cancelled. Unless the policy of the state is changed, that description of indebtedness will increase to a fearful amount. Such enterprises had better be let alone, unless they can be carried through, without resorting to extraordinary expedients. In too many instances, the money expended on them is drawn from the active capital of the community, and placed where it becomes unproductive. It may well be doubted, if the increased facilities for traveling which railroads afford are desirable, when they cannot return a fair percentage on their cost, much less, when they cannot be con-

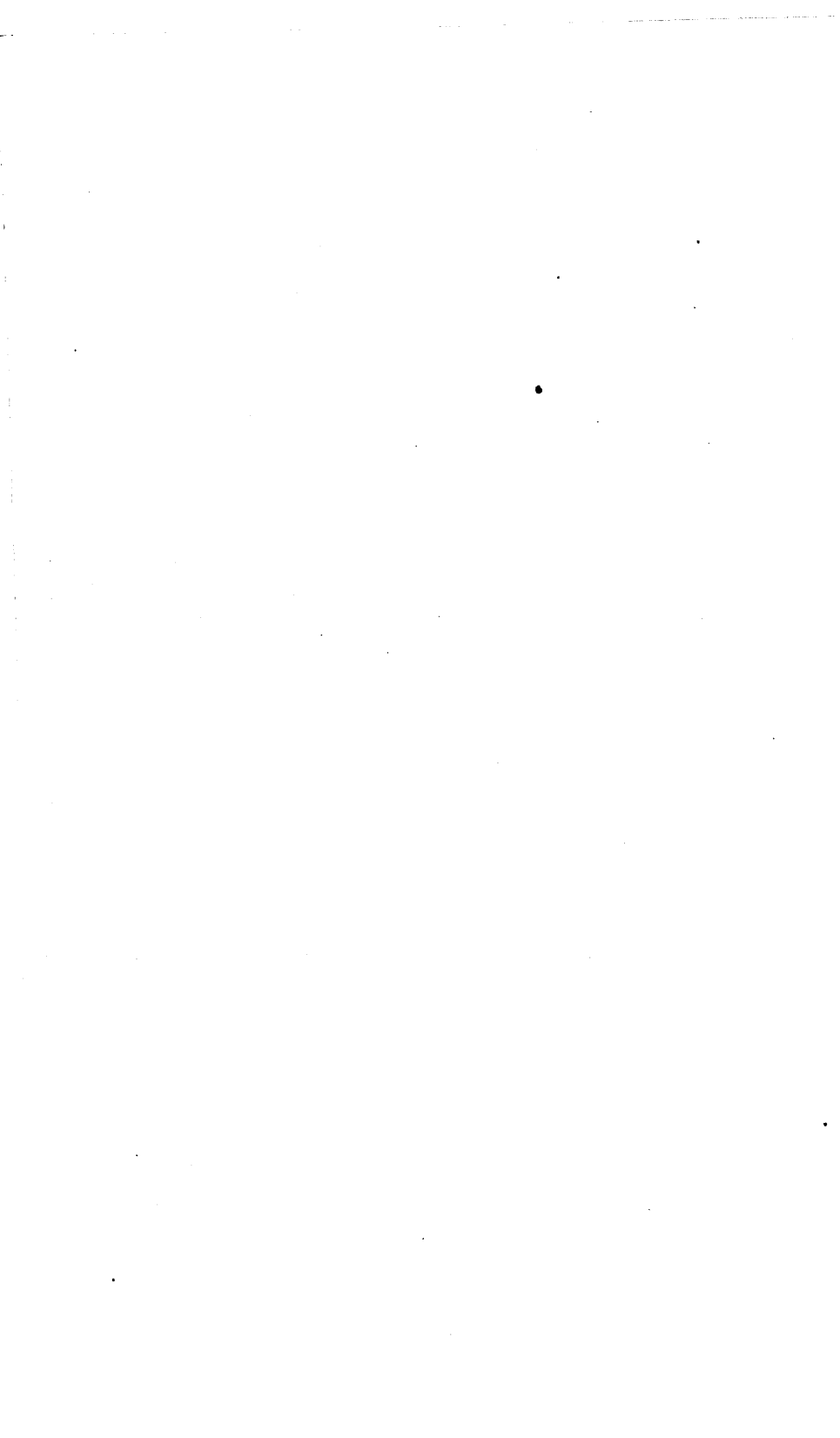
structed without incurring an amount of indebtedness beyond the abilities of the corporations building them to discharge.

Entertaining these views, the committee does not feel that it would be warranted in making an exception of this case. The city of Bangor is willing to comply with the conditions of the act of 1855, when the road is built to Milford, as therein required. The company asks to anticipate one hundred thousand dollars of the loan, on reaching Orono. Bangor opposes, on the grounds that while railroad connection with that town is of comparatively little importance, a connection with Milford is of much importance, where the Penobscot road will strike the Oldtown and Lincoln railroad, affording a continuous road of one gauge, on the completion of the latter, from Bangor to Mattawamkeag Point. The building of the whole road from Bangor to Milford, was one of the conditions of the act of 1855, and Bangor fears that it will not be completed beyond Orono, if it is altered as the petitioners desire.

Under these circumstances, the committee would not feel justified in advising an alteration of the act of 1855, as desired by the petitioners. The fact that one of the parties interested remonstrates against it, is a consideration too important to be overlooked, and the committee, therefore, recommend that the petitioners have leave to withdraw.

All which is respectfully submitted

E. W. FARLEY, *Chairman.*



STATE OF MAINE.

IN SENATE, March 5, 1856.

ORDERED, That 700 copies of the report of the Committee on Railroads and Bridges, on petition of Gideon Mayo and others, be printed for the use of the Legislature.

WM. G. CLARK, *Secretary.*