

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING THE SESSION

A. D. 1891.



AUGUSTA:
BURLEIGH & FLYNT, PRINTERS TO THE STATE.
1892.

Sixty-Fifth Legislature.

SENATE.

No. 24.

STATE OF MAINE.

AUGUSTA, January 30th, 1891.

*To the President of the Senate and Speaker of the House of
Representatives:*

I have the honor to transmit herewith the report of the Governor and Council, made in conformity to legislative resolve, chapter 241, approved March 13th, 1889, in favor of cities and towns, in which was owned, on the first day of April, eighteen hundred and eighty-seven, capital stock of the Belfast and Moosehead Lake Railroad.

EDWIN C. BURLEIGH.

STATE OF MAINE.

IN COUNCIL, January 6th, 1891.

In conformity to legislative resolve, chapter 241, approved March 13, 1889, directing the governor and council "to inquire into any claim which they may find legally or equitably due from the State to the cities and towns on which was owned on the first day of April eighteen hundred and eighty-seven, capital stock of the Belfast and Moosehead Lake Railroad, and cause to be paid said cities and towns such additional amount as may be found to be due to them by reason of any error, legal or equitable, in the apportionment of the railroad tax for said year one thousand eight hundred and eighty-seven;" we have made such inquiry, and find that there is legally and equitably due from the State to the cities and towns referred to in said resolve, the sum of thirteen hundred and thirty dollars and sixty-six cents; and we recommend the payment of the same from the state treasury, with accompanying statement.

IN COUNCIL, January 6th, 1891.

Read and passed by the Council, and by the Governor approved.

ORAMANDAL SMITH, *Secretary of State.*

STATEMENT.

For the apportionment to the cities and towns in which capital stock of the Belfast and Moosehead Lake Railroad was owned on the first day of April, A. D. 1887, it is claimed that the same valuation should have been placed upon said capital stock which was placed upon it for the apportionment of 1888, viz. : \$80 per share on the preferred stock and \$50 per share on the non-preferred stock, instead of the valuation upon which the apportionment for 1887 was made, viz. : \$50 per share for the preferred stock and \$25 per share for the non-preferred stock.

This matter of undervaluation for 1887 was brought to the attention of the governor and council in February, 1888. But while the fact of undervaluation in 1887 was admitted as proven and the valuation for 1888 corrected accordingly, it was held that an additional amount could not be apportioned for the year 1887 without legislative action which was afterwards obtained from the legislature of 1889 by the passage of resolve, chapter 241.

The difference to the cities and towns before named from correction of the valuation of the capital stock of the Belfast and Moosehead Lake Railroad from the year 1887 to correspond with that established for 1888 would have been as follows, viz. :

Instead of receiving as they did for 1887 on the preferred stock, \$1,154.71 and on the non-preferred stock, \$843.42, in all the sum of \$1,998.13, they would have received \$3,328.79, a difference of \$1,330.66, which is now claimed as due from the State to them according to the list hereto annexed.

Capital stock of the Belfast and Moosehead Lake Railroad was owned on the first day of April, 1887, in the following cities and towns in this State, viz :

NON-PREFERRED STOCK.

Belfast.....	3,604 shares
Brooks	200 “

PREFERRED STOCK.

Belfast	2,518 shares
Brownville	1 “
Burnham.....	20 “
Camden.....	10 “
Portland.....	3 “
Searsport.....	24 “
Stockton	1 “
Vassalboro'.....	2 “
Winterport.....	30 “

There is also submitted herewith copies of the most important evidence presented to the Governor and Council in February, 1888.

BELFAST, ME., February 13, 1888.

N. F. Houston, City Treasurer.

DEAR SIR:—In reply to your questions as to the value of Belfast & Moosehead Lake Railroad Company stock in April 1, 1887, in my opinion, and its relative value to the stock of European & North American, will say: That on the first of April, 1887, the company had on deposit a sum of over \$20,000 and were awaiting the receipt of a decision of the Court, to make a dividend of this money. No stockholder holding any amount of stock, would in my opinion sold it on that day for less than 120. In fact, sale was made in April at 125, and parties who held stock under my advice not to sell at that time, afterwards sold the same at about that sum.

No stockholder at that time would in my opinion exchanged their stock for an equal amount of European & North American, that being a five per cent. stock.

The sales of stock for 1886 were all at par or above, and those for 1887 from 105 to 125, almost all being at 120.

The non-preferred stock in my opinion is worth at least \$75 per share, in fact the town of Brooks could sold theirs at the sum, but declined doing so at my suggestion.

The dividends made in 1887 were on pref., June ., '87, 3 per cent.; Prefe., July 6, '87, 6 per cent.; Prefe., Dec. 1, '87, 3 per cent.; and on non-Prefe., June 1, 1.30; July 6, 1.25; Dec. 1, 1 45.

The July dividend was made from the funds on deposit April, '87.

The company receives a rental of 36,000 per year, has only a liability of int. on \$150,000 mortgage against it, leaving a balance sufficient to pay 6 per cent. on Prefe. and about half that amount on non-Prefe. which in my judgment makes the stock worth at least \$120.00 per share for Prefe. and \$75.00 for non-Prefe.

Yours respectfully,

JOHN H. QUIMBY,

Treasurer, B. & M. L. R. R. C.

BELFAST, February 13, 1888.

Mr. N. F. Houston, City Treasurer:

DEAR SIR:—I have read Mr. J. H. Quimby's letter to you of this date relative to the value of the Belfast & Moosehead Lake Railroad stock on April 1, 1887, and its comparative value with the European & North American on same date, and will say that I fully concur with the opinions expressed by him therein.

During the month of April, 1887, I bought some of the preferred stock of the Belfast & Moosehead Lake Railroad Company, paying a price above par and during March and April of the same year I offered more than par for other shares of the same stock which were for sale. I do not think there is any better six per cent stock in the State than the preferred stock of the Belfast & Moosehead Lake Railroad Company.

Yours truly,

JOHN G. BROOKS,

President Belfast National Bank.

STATE OF MAINE.

IN SENATE, January 30, 1891.

Read, and on motion by Mr. RYDER of Penobscot, laid on the table to be printed, pending reference to the Joint Select Committee on Taxation.

KENDALL M. DUNBAR, *Secretary.*