

MAINE STATE LEGISLATURE

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EIGHTY-THIRD LEGISLATURE

House Document

No. 570

House of Representatives, March 31, 1927.

On motion of Mr. Piper, placed on file and ordered printed.
Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND TWENTY-SEVEN

STATE OF MAINE
OFFICE OF THE GOVERNOR
AUGUSTA

March thirty-one
1927

To the Honorable Senate and House of Representatives:

The Constitution provides for communications between the Executive and Legislative branches of the government on matters of importance to the State.

In the Legislative Record, in the course of the discussion upon a recent message to the Legislature dealing with the Railroad Excise Tax there appear charges of serious inaccuracies.

The Legislature is naturally and properly concerned with the correctness of any figures that are presented affecting its action

upon a pending bill. This is not the time nor the place for further discussion as to the wisdom of this enactment but it seems proper and perhaps privileged that the Legislative Record should contain the references to the official reports from which this information was supplied.

The legislative prohibition upon any questioning of the good faith of a member of the Legislature was scrupulously observed in the message from the Executive and is likewise observed in this communication.

In the special message under the heading "General Revenue" the following statement was made:

"The revenues of the State for the past four years from this railroad tax have been as follows:

1923.....	\$2,305,000
1924.....	2,385,000
1925.....	1,911,000
1926.....	1,914,000"

These figures were quoted from the official returns in the office of the State Auditor as they appear in the reports of the Budget Committee for 1925 and 1927.

Figures were read to the House of Representatives from the Report of the State Assessors which were stated to be the railroad taxes "collected" for these several years. These were inconsistent with the figures given by me. No such figures are to be found in the report. As a matter of fact the Report of the State Assessors contains no figures whatever for taxes collected.

It might be argued that the proposed measure should be compared with the existing measure upon the basis of the taxes assessed in the several years. This would have involved no question as to the accuracy of the figures that were used and is a matter that is entirely open to debate. The quoted figures, however, were not used for this purpose but were used to show a discrepancy in the figures contained in the message of the Chief Executive to the Legislature.

The accuracy of the statement was also challenged that "the 1926 surplus of the Maine Central Railroad Company was \$1,270,000, or somewhat more than 9% upon the common stock. The term "Surplus" as applied to these figures is taken from the statement of the President of the Maine Central Railroad Company as published in the Portland Press Herald on January 26, 1927, and also the statement that this constituted earnings of more than 9% upon the common stock.

Under Chapter 75 of the Public Laws of 1917, the official annual report of the Maine Central Railroad Company was required to be filed with the Public Utilities Commission on or before March 1st, 1927. This report was not filed until March 28th, 1927. This was three days after the tax-reduction bill was passed. If this report had been available in the office of the Public Utilities Commission, as required by law, any member of the Legislature could have verified the accuracy of my statement since on page 43 it appears that the net income of this road for 1926 was exactly as stated in my message.

All figures used in the message from the Executive to the

Legislature were taken from the official records, either of the railroad or the State, or from what purported to be official statements furnished by the railroad to the newspapers.

Respectfully submitted,

RALPH O. BREWSTER,

Governor of Maine.