

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Seventy-Second Legislature

OF THE

STATE OF MAINE.

1905.

SENATE.

Tuesday, February 21, 1905.

Senate called to order by the President.

Prayer by Rev. Mr. Canham of Hallowell.

Journal of yesterday read and approved.

Papers from the House disposed of in concurrence.

House Bills Read and Assigned.

An act to amend section 9, chapter 81 of the Revised Statutes relating to the appointment of deputy clerk of courts.

An act to authorize the Skowhegan Hall Association to issue preferred stock.

An act to authorize the town of Skowhegan to subscribe to the capital stock of the Skowhegan Hall Association.

An act to amend section 16 of chapter 98 of the Revised Statutes relating to replevin writs.

An act to increase the capital stock of the Skowhegan Hall Association.

An act to extend the rights, powers and privileges of the Brownville and Williamsburg Water Company.

An act to prevent the throwing of refuse and garbage into the Aroostook river within the limits of Fort Fairfield.

An act to amend section 4 of chapter 88 of the Revised Statutes relating to service upon co-partners in trustee process.

An act authorizing the Crosby Mercantile Company and the Crosby Lumber Company to consolidate.

An act to enable the Clinton Electric Light Company to issue bonds.

An act in addition to chapter 10 of the Revised Statutes relating to sale of land for taxes.

An act to amend section 76 of chapter 9 of the Revised Statutes relating to abatement of taxes.

An act additional to and amendatory of chapter 137 of the private and special laws of 1903, entitled "An act to amend the charter of the city of Auburn and to provide for a board of public works." On motion by Mr. Philoon of Androscoggin this bill was tabled pending its first reading.

An act to incorporate the Peaks

Island Gas Company.

Bill, an act providing penalty for non-feasance of duty by sheriffs, deputy sheriffs and county attorneys. This bill came from the House reported by the committee on legal affairs, the majority report on said being that the same ought to pass; and the minority report being that the same ought not to pass Mr. Pierce of Aroostook moved that the majority report be accepted. On motion by Mr. Staples of Knox, the bill and accompanying reports were tabled and assigned for Wednesday of next week.

Resolve in favor of Maine Home for Friendless Boys.

Resolve in favor of Farmington State Normal School.

Resolve providing for deficiencies in appropriations for schools for children in unorganized townships.

An act to amend the charter of the Waldo Trust Company, with privilege to establish a branch at Castine, Maine.

An act to incorporate the Deering Trust Company of Portland, Maine.

An act to incorporate the Winter Harbor Trust Company, Winter Harbor, Maine.

An act to incorporate the Merchants' Trust Company, Portland, Maine.

An act to amend chapter 279 of the private and special laws of 1901, entitled "An act to incorporate the Mat-tagamon Manufacturing Company."

Passed to be Engrossed.

An act to extend the charter of the Fushaw Lake Railroad.

An act additional to and amendatory of chapter 48 of the private and special laws of 1887, entitled "An act to incorporate the Winterport Ferry Company."

Resolve in favor of marking grave of the late Governor Hunton.

An act additional to chapter 144 of the Revised Statutes, relating to insane hospitals.

An act to amend section 18 of chapter 144 of the Revised Statutes relating to support of persons committed to insane hospitals.

An act to authorize Walter W. Irwin, his associates and assigns to raise the water of Third pond in the town of Bluehill.

An act to amend sections 100 and 102 of chapter 23 of the Revised Statutes relating to State roads. On motion by Mr. Clark of Hancock this bill was tabled pending its passage to be engrossed.

Resolve in favor of State roads. On motion by the same Senator this resolve was tabled pending its passage to be engrossed.

Resolve in favor of aid in building a highway bridge across the Sebasticook river in the town of Benton.

Passed to Be Enacted.

An act to amend chapter thirty-nine Revised Statutes in regard to the regulation of commercial fertilizers.

An act to amend chapter forty-one relating to sea and shore fisheries.

An act to amend section forty-four of chapter forty-one of the Revised Statutes relating to the taking of smelts.

An act to amend section eighty-six chapter forty-eight Revised Statutes relating to responsibility of shareholders in trust and banking companies.

An act to amend section sixty-five of chapter ten of the Revised Statutes relating to the collection of taxes.

An act to amend paragraph five, section one of chapter four hundred and seven of the private and special laws of nineteen hundred and three relating to ice fishing in Pease pond in Wilton, Franklin county.

An act to protect fish in Greatbrook and its tributaries in Lowell and Stoneham, and to repeal the law relating to taking fish in Coldbrook in Lovell and Stoneham, Oxford county.

An act to regulate fishing in Baskagegan lake and stream and in Holbrook, a tributary to the stream and in Schoodic Grand lake, North lake, Brackett lake and their tributaries, and the waters between Schoodic, Grand lake and Chepenticook lake, situated in the counties of Washington and Aroostook.

An act to prohibit the hunting of duck on that part of Upper Kezar pond situated in Stow and Lovell, Oxford county.

An act to regulate fishing in West Carry pond in Somerset county.

An act to authorize the Piscataquis

Savings Bank, of Dover, Maine, to construct and maintain safety deposit boxes.

An act to amend and extend the charter of the Rangeley Trust Company.

An act to permit the Bridgton Street Railway Company to discontinue the operation of its line during certain months of the year.

An act to ratify and confirm the organization of the Penobscot Valley Gas Company, and to give said company additional powers.

An act to change the name of Caif Island to Opechee Island.

An act to authorize the town of Sanguerville to remove the bodies of deceased persons.

An act to fix the salary of the recorder of the Western Hancock Municipal Court.

An act to regulate the practice of veterinary surgery, medicine and dentistry.

Finally Passed.

Resolve in favor of the dairying interests of the State of Maine.

Resolve in favor of the Maine General Hospital.

Resolve in favor of the Eastern Maine General Hospital Bangor.

Resolve in favor of the Augusta City Hospital.

Resolve in favor of the Bangor Children's Home.

Resolve in favor of the Saint Elizabeth's Roman Catholic Orphan Asylum of Portland.

Resolve in favor of the town of Phillips.

Resolve in favor of A. H. Small, Portland, Maine.

Orders of the Day.

On motion by Mr. Gardiner of Penobscot, House Document 72, bill "An act in relation to the business of selling, giving, and delivering trading stamps, checks, coupons and similar devices in connection with the sale of articles, wares and merchandise," was taken from the table. On further motion by the same senator, the same was referred to the committee on Legal Affairs.

Report of the committee on taxa-

tion, on bill to tax railroads according to their actual value, that legislation thereon was inexpedient came up by special assignment.

On motion by Mr. Staples of Knox the bill was taken from the table. The pending question was upon the acceptance of the report of the committee.

The question of taxation is one that affects us all, and it has been a bone which is, as it seems to me, one of the most important that will come before this honorable body.

Mr. STAPLES of Knox: Mr. President: I crave your indulgence for a little, while I speak upon this matter, of contention from the earliest times in our history down to the present time. Section 8, Article 9 of the Constitution declares that all property shall be taxed equally upon its value. Our forefathers, in their wisdom, when they framed that immortal document, the Declaration of Independence, breathed all through it the same principle of equality; and wherever the burdens of taxation do not bear equally upon the people, there is injustice which is contrary to the fundamental law of our land. The framers of the Constitution of the United States, in their wisdom, believing in equal rights for all, said that all property should be taxed equally upon its value. In this State the constitution is plain and is not subject to any mistakes, and its words indicate that all property should be taxed equally upon its just value.

In this State you know and I know, we have been taxing railroads upon their gross receipts. I state, Mr. President, as a legal proposition, that any other tax than that upon the actual value of property is unconstitutional in this State; and I declare that the taxation upon railroads in the State of Maine, if our constitution means anything, is unconstitutional, and not a legal taxation. It has been so decided by some of the highest courts of this country, that to tax a railroad in one manner and a farmer in another manner is not equal taxation. If you tax railroads upon the gross receipts and other property upon actual value, it is unconstitu-

tional some of the best legal minds in this country have so decided.

I believe that at this time Maine is behind other states in its generosity towards institutions demanded by the public welfare; and when we tax railroads upon the gross receipts, one-half of one per cent., we are not doing our duty to the tax-payers of this State.

From all over this State a clamour is going up, demanding equal taxation. The farmers of this State pay their taxes without a murmur. They are willing to pay, as is any good citizen, but it is a right that every man has that other species of property should pay a tax according to the actual value. Every man should bear the burden equally, and not undertake to make one class bear the burden that belongs to another. It is unjust. I come here today upon this matter with no partisan motive. I come here in the interests of the people of the State of Maine. I believe the time is coming when it will be an issue, that all property in the State of Maine shall be taxed equally. Upon this question I want to go back to 1874, when Nelson Dingley was Governor of this State. He brought up this question. You must recollect that in this State today there are \$80,000,000 of railroad property, the best paying property there is in the State of Maine, which is only paying one-half of one per cent. upon the gross receipts, while every farmer in Maine and every other species of property is paying at the rate of two per cent. Is there anything fair in that? Are we going to say to the people of Maine that the Maine Central Railroad with its \$30,000,000 of capital, with its bonds above par, its stock above par, and its gross receipts the last year almost \$8,000,000, that they shall pay only one-half of one per cent. upon gross receipts and that every farmer in Maine shall pay two cents, or a little over upon the actual value of his property? Is that fair? I am surprised when I go about the State to find that the people of this State know so little about the taxation of railroads. I will venture the asser-

tion that one-third of the people of the State today—and I do not know but one-half—know nothing about the way the railroads are taxed; and if you told them they paid only one-half of one per cent. on the gross receipts, while they are paying two cents and one mill, they would hardly believe you. The Boston & Maine Railroad, for that part of the line that is operating in the State of Maine, having gross receipts of \$9,000,000, are paying only one-half of one per cent. on their gross receipts.

I suppose nobody will dispute my authority, Nelson Dingley, the governor of the State, because I quote from a Republican candidate for governor. Republicans sometimes are right, if they are oftentimes wrong. Upon "Sources of Taxation" he said: "It will be observed that, up to the present time, almost the only resource of the State to meet both ordinary and extraordinary expenditures, has been direct taxation. The State tax last year was five mills on the dollar, but it is the judgment of the treasurer that the tax may be reduced the present year to four and a half mills, provided the Legislature shall make no unusual appropriations. I most earnestly urge, however, that you should consider whether it is not advisable to devise some method other than direct taxation to secure a part of the revenue required for State expenditures; so that the rate of taxation may be still further reduced. Pennsylvania finds no difficulty in securing sufficient receipts from indirect taxation to support the State government. A large share of the state expenditures of Massachusetts is met by the proceeds of a State tax upon the valuation of the corporate stock of railroad and other corporations, over and above municipal taxation for real estate and machinery."

In the state of Pennsylvania, and even down to today in the state of Rhode Island they have no taxation upon railroad real estate, and no state tax. It is so almost invariably in the Western states. Governor Dingley says further: "Without indicating more in detail what sources of revenue may be made available in this State I

desire to call your attention to the subject, and to suggest a careful inquiry and investigation, with a view of devising methods of lifting some portion of the burden of taxation from real estate." That is just what we want to do. That is what I framed this bill for, to take the tax from real estate that has been bearing the brunt of the burden for these many years, and assess it upon corporations able to pay. "Such a policy would give needed encouragement to our agricultural interests, and promote the development of the resources of the State." And, going on further in the same line, in his message of the next year, he says: "Even such an assessment would be just and equal, for taxation proceeds upon the principle of the well-settled maxim, that he who receives the protection and advantages of a state ought to sustain the burdens in proportion to his ability. Certainly railroad corporations created, protected and given extraordinary powers and privileges by the State, ought to willingly contribute to the public expenses in proportion to their property. To whatever extent they escape just and equal taxation, to that extent every other taxpayer must bear more than his share of the public burdens."

So the farmers of Maine have been bearing more than their share of the public burdens ever since 1820 when Maine became a State. Is there any injustice in it? Isn't it fair and right that the railroads of this State and the corporations should pay according to their value. I do not ask that they pay any more than I pay. I ask that they pay upon their actual value, just as I pay upon my property. Suppose the farmers of Maine were to say: We want to be taxed upon our gross receipts. How much of a tax do you suppose we should get in the State of Maine. There is just as much sense in taxing the farmer upon his gross receipts as in so taxing the railroads. The time is coming. You cannot keep it off much longer. If the matter was submitted today to the people of this State, I haven't any doubt they would vote four to one in favor of taxing the property of the railroads equally with

any other property in the State of Maine.

We need more revenue in this State. We are handicapped. I noticed the other day some fifteen or twenty of that unfortunate class, the blind, coming in here, begging that they might have an institution provided for them where they could be educated and become self-supporting. The Finance Committee turned down that proposition. I do not find any fault with that committee, because we have not revenue enough for all of these institutions; but is it not a pity that in this State of Maine that unfortunate class should come here and demand at our hands protection that we cannot give them—a few thousand dollars. I cannot conceive of anything more terrible than to be brought up, blind. If we can do anything to alleviate their condition, and make their path down the declivity of life pleasant, it is our duty to do it. Must the railroad be exempt from taxation that it may rule the State of Maine? You give them as Governor Dingley said, extraordinary powers. You give them all the rights they ask for; and then they come and say: We will pay a tax upon our gross receipts and not upon the cash value of the property. The issue is coming up. The people of this State, regardless of party, will demand equal taxation, and they are going to get it. What do you suppose Massachusetts gets out of her railroad taxation? More than \$2,000,000. New York gets \$4,000,000. I will read you the difference between taxation upon gross receipts and upon the actual value, as it appears in several of the states. Alabama taxes upon the gross receipts and gets \$707,000. California taxes upon the actual value and gets \$1,228,393; Colorado \$1,110,951. Connecticut which taxes upon the gross receipts gets \$100,000; Illinois, taxes upon gross receipts and gets \$2,789,755. Indiana, gets \$100,000; formerly taxed upon gross receipts has changed her method and today they are taxed upon actual value, and she gets \$3,484,594; Iowa, which taxes upon actual value gets \$1,531,942; Kansas which taxes upon her actual value gets \$2,184,923; Kentucky upon gross receipts, gets \$717,553; Massachusetts, which taxes

upon actual value gets \$2,767,850.

So you might go on. In those states which are taxed upon their actual value you will find they get almost five times as much in taxation as they do upon gross receipts. Every one of these states which I have mentioned, for a long number of years in order to help the railroads along, voted to tax them upon their gross receipts. In Minnesota they had fifty millions of dollars of railroad property and in Maine we have eighty million as appears by the report of the railroad commissioners. That eighty millions of property is only paying one-half of one per cent upon gross receipts. We know that they are fearful corporations, and that we have given them extraordinary rights in their franchises, including a right of eminent domain; isn't it time now for us to say that the farmers of this State who are laboring upon the hillsides and who are growing poorer on account of the excessive rate of taxation, shall be protected, and that the burden shall be lifted from their shoulders and that all property shall be taxed equally?

The State of Maine today gets about \$400,000 from its taxation upon the gross receipts of the railroads in Maine. Is it not right that the Maine Central railroad with its thirty millions of property, with its gross receipts of \$8,000,000 last year, should pay the same tax upon its property as the farmer pays upon his farm in the State of Maine? You may vote it down today, Mr. President, but like Banquo's ghost, it won't down. It will come up, and when the people of this State understand the question of taxation—when you put over the mantelpiece of every family in the State of Maine, every taxpayer, that railroads are paying only one-half of one per cent., you will hear something drop in the State of Maine. They are going to wake up to the fact that the railroads have been exempted and that the real estate of the State of Maine has been bearing the burdens of taxation.

I know there is a powerful lobby that has been here through all this session to thwart the will of the people. I know the Boston & Maine, the Maine Central and other railroads have their

lobbies here. The poor farmer cannot come here. I come here on my own responsibility. Nobody is responsible to me for this bill. I deem it an act of justice to myself and to my constituents and to the taxpayers of this State that I raise my voice to protest that the railroad property of this State shall longer be exempted from taxation while the farmers are suffering from the burdens put upon them on account of it. As Governor Dingley said, "Real estate will be benefited—it will take a movement upwards if you tax railroads as you do other property." That was away back in 1874 and 1875. All these years the railroads have been coming before our Legislatures and asking for extraordinary privileges and franchises, and they are given them; so that today they permeate the whole State. Are you going to longer remain idle and to say: "We are willing to give you these privileges," or will you say at the same time "you must bear the burden of taxation equally with other property?"

Now, in regard to the question of taxation upon gross receipts. I know there is a bill in the other House to tax railroad property upon gross receipts. I could not support that measure for the reason that I do not believe it to be constitutional; and I desire to quote from some of the courts of this country upon that question. If it is true that section eight of article nine of the constitution of the United States declares that all property shall be taxed equally upon the just values, then I do not wonder that the courts of this country have decided and declared that when we tax one kind of property in one manner and another kind of property in another manner in the same State that it is unconstitutional. Michigan by constitutional amendment and legislation in accordance therewith has abolished the license fee and adopted the ad valorem method which is the same as actual values for the assessment of property by a State board. There was a time when the great idea of self government demanded that all property should be taxed in the town and county, but in the general enlightenment under which we live we find the State board taking the place of

local taxation as they did in Michigan. "At the present time the states of Maine, Minnesota, Vermont and Wisconsin are the only states adhering chiefly to the license fee as the principal tax on railroads. The entry of certain amounts for taxes apparently levied on the value of property in Michigan, Minnesota and Wisconsin is undoubtedly due to the failure on the part of the railways to properly classify or separate the taxes in reporting to the interstate commerce commission. The small amounts entered for these states on property owned but not operated are not sufficient to cover the tax on the land grant of the railroads in the three states named." This has been changed since and they tax the property upon their actual value and today Michigan receives more than two million dollars from the taxation of railroads upon actual value, when four years ago she received less than \$700,000 in taxation. And there the court says: "The correct determination requires the most careful and painstaking investigation and the impartial consideration of the best evidence obtainable. It is one problem in taxation which should first be solved; for upon the settlement of the just and adequate taxation of quasi public corporations will depend the further advance of reforms in other features of the general property taxed. The conception of tax reform entertained by some idealists, that a perfect code can be devised to remedy all the defects of the present laws in this and other states and to remedy evils incident to their administration is incapable of realization in a day or at one session of the Legislature."

The property tax levied upon the general property has given grand satisfaction to the people of Michigan. The highest authorities upon economic and public finance are of the opinion that the problem of just taxation in this country is very largely a problem of equal taxation upon actual values. "We may therefore ask, does the license fee meet the requirements of a modern system of taxation, is it just and equal between the corporations or between the corporations and the owners of real estate and personalty, and

is it based on sound principles." "The chief authority usually referred to in defence of the "gross receipt plan," and the following sentence is frequently quoted in favor of the system, "Finally the committee will say that of all the systems of taxation examined by them those in use in England, in Michigan and Wisconsin, among the states of the Union, seems to them the most intelligent and in conformity to correct principles. The Michigan and Wisconsin systems would seem to be especially commendable." And there they changed it from gross receipts to actual value, and are much pleased with the system.

Chief Justice Dixon in the course of his opinion said, in speaking of the question of taxing railroads upon gross receipts and upon actual value: "The theory of our government is that socially and politically all are equal and that special or exclusive, social or political privileges or immunities, cannot be granted, and ought not to be enjoyed. In consonance with this theory, that of taxation, whether as the subject of legislative action, judicial inquiry or constitutional law, has always been, that the burdens of supporting the government should be borne equally by all the individuals composing it, in proportion to the benefits conferred, and that the taxpayer receives for the money exacted a just compensation by the protection afforded his person and property by the proper application of the tax. This principle of justice and equality which requires that each person should contribute towards the public expenses his proportionate share, according to the advantages which he received lies at the foundation of our political system; and in our opinion it was to give to it a greater permanency and force, and to secure its more rigid observance that the section above quoted was introduced into the constitution. It follows that when property is the object of taxation, it should all alike, in proportion to its value, contribute towards paying the expense of such benefits and protection. These are plain and obvious propositions of equity and justice, sustained as we believed by the very letter and the spirit of the constitution. Its mandate it is true, is very brief, but long enough for all practical

purposes; long enough to embrace within it clearly and concisely the doctrine which the farmers intended to establish, viz. that of equality. The rule of taxation shall be uniform, that is to say, the course or mode of proceeding and levying or laying taxes shall be uniform; it shall in all cases be alike. The act of laying a tax upon property consists of several distinct steps, such as the assessment or fixing of its value, the establishing of the rate, etc., and in order to have the rule or course of proceeding uniform, each step taken must be uniform. The valuation must be uniform, the rate must be uniform. This uniformity in such a proceeding becomes equality; and there can be no uniform rule which is not at the same time an equal rule, operated alike upon all the taxable property throughout the territorial limits of the State, municipality or local sub-division of the government within and for which the tax is to be raised."

That is the opinion of Chief Justice Dixon: That in order to have uniformity you must have uniformity of rate, and the taxation of all property must be uniform. Now, he says on account of that principle in the constitution is plain, that every body can read it, that according to a fundamental law of our land, you cannot tax one piece of property upon gross receipts and another upon its actual value, because it is unconstitutional, and for that reason I believe that no property should be taxed upon gross receipts. "The broad doctrine that one kind of property may be so different in character from the general mass of property that it may be set apart for a special method of taxation without uniformity of value or equality of rate as between such classes and the whole taxable property of the State is fraught with extreme danger." That is what Chief Justice Dixon says upon the question of constitutionality of taxing railroads upon gross receipts." "Let it be conceded that railroad property as a class may be taxed at two per cent on gross earnings, which is, say, equivalent to the rate of one per cent on actual value, while the other

property is taxed at the rate of two per cent of the actual value, the converse of the proposition must be true that railroads may be compelled by legislation to pay ten per cent of gross earnings, equivalent to a rate of five per cent on value, and the remaining property of the State escape with a rate of two and one-half per cent on its value. Equivalency in law or fact is not essential to such a system. No attention to uniformity in valuation or equality of rate is necessary, for in the exercise of the sovereign power of taxation the limit is confined only to the amount needed for the legitimate wants of the State and the burdens may be distributed among the classes without respect to the relative portions exacted from each. The difference in industrial condition or character of property or income therefrom may demand a different administration to ascertain the elements of value for the levy of the tax, but are there rational grounds for the classification which merely result in the changing of the rate of taxation? The elements entering into and the process of measuring values must vary from lands to highly complex industrial enterprises, but when the value is determined by appropriate method the rate shall be uniformly applied to impose equal public burdens upon all. If the fourteenth amendment guaranteeing to persons the equal protection of the law prohibits unjust discrimination between those in a class, does it likewise prohibit discrimination between the classe, and inhibit laws which tax property in one class at one rate and the property of the second class at another rate where the real distinction is in the name or character of the use made of the property?

The bill that I have framed and which has been printed, many of you have read. It provides that the Assessors of the State shall be a taxing board to get uniformity of rate and taxation. How does the bill provide for that? By the Clerk of courts furnishing upon the first day of May to the Assessors the taxable property, both real and personal in their counties, so that the State Assessors will

have the full value of all real and personal estate; and then it is a very easy matter to get a rate; and then the rate will be uniform, so they can tax railroad property the same as other property. One will say: It is impracticable because some railroads are not worth anything. The thing to do is to ascertain the market value. If a railroad has no market value then it is assessed upon its actual value whatever it is. Then you have a uniform rate and uniform taxation throughout the State. In this State our expenses are about \$2,000,000., or \$2,100,000., and the revenue of this State comes largely from the real estate. About \$420,000. comes from the railroads of the State, as they are taxed today, express companies, corporations, etc. pay some of the taxes. No wonder the farmers in the State are not prosperous. No wonder you find abandoned farms here. We are living in a State that taxes one kind of property in one way and a piece of property that is better able to pay taxes than the farmers of the State are, in another way. But the farmer does not find any fault. There is not a farmer anywhere but is willing to pay his taxes at the same rate at which other property is taxed. But they do murmur, and they will keep on murmuring until the people rise up in their might and demand that all property shall be taxed equally in the State of Maine.

Take the Maine Central. Everybody knows it is a well-equipped road, it gives the people grand service. So does the Maine Central. Why should they not do so? They have had extraordinary privileges given them. They have been exempt from taxes for the last thirty years excepting for one-half of one per cent upon the gross receipts. Suppose you tax the Maine Central the same as you would the farms of the Senator from Oxford, how much tax do you suppose you would get? You would get between seven and eight hundred thousand dollars from the Maine Central alone. If you tax all the railroads the same as you would my farm or your farm and you would get between fourteen

and fifteen hundred thousand dollars—as much as it costs to run the whole State of Maine today. Don't you believe the farmers would rejoice if that could be done? Don't you believe the abandoned farms throughout the State of Maine would be inhabited and prosperous within a few years, if they could be equally taxed before the law.

Mr. President, the Committee saw fit to say that legislation on this bill was inexpedient. I do not know upon what they base their report. I do not know why it is that they can say that the Maine Central Railroad with its bonds worth \$1.65 on the dollar, should be exempt.

This bill declares that the stock that is held by the railroads, the bonds, the franchises, all that is valuable shall be regarded as personal property and that it shall all be taxed alike. I say I do not see how legislation can be inexpedient, when we are today narrowed down to \$2000 of revenue, so that when a worthy object comes before this Legislature, it is turned down because we haven't money to pay the expenses for the "feeble-minded" bill that we discussed the other day, a bill demanded by the people throughout the State, turned down by the committee because the State had not revenue enough. I thought to myself then: Tax railroads, as I am taxed upon my farm and you can have the money for that unfortunate class and can educate and rear them up as they ought to be. And the blind! If we can give them any shunshine, let's do it. But no! The grasping railroads of the State of Maine say: I won't pay my tax; and therefore these two unfortunate classes must go home and live in agony and distress. Shame upon the people of the State! Recollect, this is not a new matter. Massachusetts which has the best system of taxation of any state in the Union get \$2,000,000 from the taxation of her railroads upon actual value. Twenty years ago Massachusetts taxed them upon the gross receipts. Today the railroads of Massachusetts are just the same as the farmer or mechanic. Tell me, Mr. President, in God's name, why is not that right? Over in New Hampshire you will find the same state

of facts existing. There they are taxed upon the actual value and not upon the gross receipts. The courts have come to the rescue of the people, declaring that taxing railroads upon the gross receipts is unconstitutional. You need not go to a lawyer to ascertain that fact. I appeal to your own good common sense. Read the constitution of Maine. It says that all property shall be taxed upon its actual value and still we have a tax upon our statute books taxing railroads—the best paying property in the State of Maine, upon the gross receipts and the poor farmer working 12 hours a day to get the money to pay his tax—one-half of one per cent. It is an insult to the tax payers of the State of Maine. You may vote it down, today. I will do my duty towards the tax payers of the State of Maine. Twenty states of this Union, today, are taxing the railroads upon their actual value and those are the most prosperous states, today, in the Union. We in Maine are handicapped on account of our position. We have no money to do with. The people of Maine are a generous people and they would be willing to do it there was money in the treasury to pay for these institutions. Why not have it there? You have got to raise more revenue. Can you tell me where you are going to get it better than by uniformity of taxation throughout the State of Maine. The bill provides that the State assessor shall assess all property equally. They shall collect all this tax and place it in the treasury of the State. I have spent a good deal of time in studying the question. I have before me a report of 25 states of this Union, 20 of which have changed to taxation upon actual value. Courts in other states have declared taxation upon gross receipts to be unconstitutional. I say to you now, if the railroads in this State refuse to pay the tax, you have not the power to compel them to pay, because the constitution says that all property must be taxed equally, and when you tax upon gross receipts you cannot enforce the collection of that tax unless they have a mind to pay it. I apprehend they pay it and pay it gladly. Don't you suppose she thinks the tax payers and legislators of the State of

Maine are fools that they do not pay more? I believe the Maine Central Railroad, today, would not object, if you would come right down to the fact of taxing them equally with other property. There is no reason why they should. It is a mean man that will ask his neighbor to pay tax upon his property, when the other man has equally as valuable property as he has. It is one of those fundamental principles of our government. I apprehend our forefathers had it in mind when they framed that immortal document, the Declaration of Independence. By and by the railroads got so numerous and so powerful that they usurped the rights of the public, exacting from tax payers and legislatures extraordinary privileges. No other corporation in the State of Maine has ever had so extraordinary privileges granted them as have the railroads of New England. The farmer pays his tax of two cents and one mill upon the cash value of his farm, and he comes here to Augusta and goes into the railroad depot and pays his fare of two cents mileage upon that road with its luxurious cars and good service I admit. He takes up a report and says: Here is a railroad that I am riding on that is worth \$30,000,000 and they only pay one-half of one per cent. upon their gross receipts. Why is this? It is because the railroad has been doing in the past just what it is doing, today, undertaking to control the Legislature of every state wherever they can. In Michigan this matter was agitated for ten years, by that grand old man, now passed over the river, Gov. Pingree. He gave up his life in labor for the common people, but he lived to see railroads in the state of Michigan taxed according to their actual value and while there were only \$600,000 taxation upon the gross receipts, today, last year and this year, they have between \$2,000,000 and \$3,000,000 from the same state. Colorado is a comparatively new state that taxes upon the actual value, but she receives \$2,000,000 taxation from the railroads of that state.

Vermont is taxed upon actual value. She taxes all corporations. I submit as a mathematical proposition that if you tax the railroads alone, just the

same as farmers are taxed, today, the State of Maine will be relieved of its burdens.

I notice that one of the papers of this State in the city of Portland, in an article the other day, said it would be outrageous to tax railroads any more than they are taxed now, but I did not see any reason that he gave for that expression. Pray tell me, is it not outrageous on the other hand, that they are not taxed equally with other property. The bill calls for a uniform rate of taxation, and I move, Mr. President, that the bill be submitted for the report of the Committee and that a Yeas and Nays vote be ordered.

Mr. GARDNER of Penobscot: Mr. President: I feel that it devolves upon me as Chairman of the Committee on Taxation, to speak briefly on this matter; and I assure you I will be brief. I shall make no attempt to compete with the distinguished Senator from Knox in eloquence, and I submit were I favored with his endowments in that line, that I cannot possibly be in the form that he is; and I would also suggest that if the balance of the senators here should attempt to be in the form of the distinguished senator, we might have an unduly long session. I also would suggest, if in order that we may have a fair vote on this matter; and I would request that the pages may notify members not in their seats that they may be present when the vote is taken. I should like to state briefly and simply the facts that led this Committee to report "legislation inexpedient." The Legislature of four years ago enacted new taxation laws and greatly increased the revenue of the State. The Committee deemed it inadvisable to take on particular class of property, and radically change the rule of taxation; and after due and fair hearing, and after listening to the distinguished senator, and I will say that no other appeared for the bill, we decided that legislation at this time was inexpedient; and I have so reported to this Senate; and I trust that the unanimous report of the Committee on Taxation will be sustained by this body. Without attempting to argue against the eloquence of the gentleman, I will say that we took into consideration the fact that the tax law

had recently been gone over, the fact that the present method of taxation had been deemed wise and expedient, that the amount of revenue to the State had been greatly increased under the change in rates; and I will briefly call your attention to the treasurer's report. This shows that in 1900 the receipts from railroads in taxation were in round numbers \$175,000, while in 1904 the rates were in round numbers \$435,000; and I submit there is no class of property in the State on which the tax rate and the amount collected from that particular class of property has been increased much more than railroad property. I also ask your consideration of the fact that in any public service corporation, any undue, unwarranted or unwise taxation upon that class of property is paid by the people, by those who patronize it. It is the man who travels, the man who ships freight that pays the tax; and until the Legislature or the people of Maine in their wisdom decide that it is wise to place some restriction upon rates and tariffs, it is a tax upon the people of the State when you put any undue burden upon a public service corporation of this State. The Committee considered all these matters and decided that legislation at this time was inexpedient; and I ask that this Senate sustain and support the unanimous report of the committee on taxation, which is that legislation is inexpedient upon railroad taxation.

The question being put upon the motion of the Senator from Knox that the bill be substituted for the report, the Yeas and Nays were called for and ordered. The vote being had resulted as follows: Voting Yea: Staples, (1). Those voting Nay were Messrs: Allen, Ayer, Bailey, Bartlett, Brown, Clark, Gardner, Heselton, Irving, Morse, Owen, Pierce, Pike, Plummer, Potter, Putnam, Shackford, Shaw, Simpson, Stetson, Sturgis (21). So the motion was lost.

The question being put upon the acceptance of the report of the committee on taxation "Legislation inexpedient," the report was accepted.

On motion by Mr. Owen of Piscataquis, the Senate adjourned to meet on Wednesday, Feb. 22, 1905 at 10 o'clock in the forenoon.