

MAINE STATE LEGISLATURE

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The State Chamber of
Commerce and
Agricultural League
Publications

History of the Land Grant to the
European and North American
Railway Company of 1868.

The State Chamber of Commerce
and Agricultural League
Headquarters
Portland, Maine

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The legislature of 1850 granted a charter to the European & North American Railway Company by which it was "authorized and empowered to locate, construct and finally complete, alter and keep in repair a railway from the city of Bangor, over the most practicable route, in a line to the City of St. John, New Brunswick, to the eastern boundary of the state; so as to best connect there with a railway to be constructed from said city of St. John to said eastern boundary, under a charter from said province." The route was to be actually surveyed by the end of 1855 and the road completed by end of 1865. The same legislature appropriated \$5,000.00 with which to make a preliminary survey under the direction of the Governor and Council. It also directed the Governor to communicate to the President of the United States the advantages of the route through Maine of this railroad for securing the most rapid means of communication between Europe and America and to invite the co-operation and aid of the Federal Government.

The legislature of 1851 appropriated \$2,000 for the publishing and distributing of copies of the plan and survey of the line as made by A. C. Morton. The legislature of 1856 extended the time for beginning work five years. The legislature of 1857 requested the Maine Congressmen to urge on the United States the importance of the European and North American Railway Company and the justice of the claims of the state for national assistance. The legislature of 1863 extended the charter another five years.

Governor Coburn in his message to the legislature of 1863 referred to a grant made in 1861 to the Aroostook Railroad of the "best portion of the public lands, including those sections in the counties of Penobscot and Aroostook." This grant was subject to a loan to be made by the City of Bangor which was not done so the land remained in the possession of the state. He treats at some length of the need of a railroad to the border saying in part "for it cannot be denied that the experience of the past year has shown that the road may be highly desirable and advantageous, as an avenue of business, it is absolutely essential to the nation as a great line of military defence." The legislature of this year passed a resolve—"That Maine expects and earnestly demands

that measures be taken at once by the general government for the protection of its northeast frontier, and that this can be accomplished only by a military railroad from Bangor to the St. John's River."

In 1864 Governor Cony in his message said "It is now apparent that the construction of a railroad, whether for defense or development, to the eastern or northeastern frontier of the state, within a reasonable time can only be accomplished by a combination of private enterprise and government aid, state or National." The legislature of this year voted to the European and North American Railway Company the proceeds of a sale of ten townships of land, all the moneys, securities or lands received on the claims of Maine against the Federal Government prior to 1860; also all the public lands on the waters of the Penobscot and St. John River providing Massachusetts would release Maine from the payment of the money due on the lands purchased from her in 1853. Under the terms of this Act the company was obliged to complete its line by the running of cars from Bangor to Lincoln before it was entitled to the benefits of the Act. Afterwards as soon as the company completed ten additional miles from Lincoln towards the mouth of the Matawankeag the governor was authorized to pay to the company from the proceeds of the sale of lands and claims at the rate of ten thousand dollars per mile and pro rata until the line was completed from Bangor to the boundary of New Brunswick. All benefits were to be forfeited by the Railway Company if the proceeds of the timber or lands were used for any other purpose than the construction of the railway.

The Commonwealth of Massachusetts declined to aid by releasing the state from payment for the lands purchased and so in 1868 the legislature granted these lands to the Railway Company. That portion of the lands situated in Piscataquis County was to be deeded to the Bangor and Piscataquis Railway Company, providing its line was completed to the Katahdin Iron Works, otherwise to the European and North American Railway Company. The Act called for the appointment of two trustees to whom was to be paid all moneys received by sale of the lands or by mortgage made on the lands. The trustees

were required to give bond and were not to pay over any moneys until the line was completed to Lincoln.

The same legislature passed an Act allowing the city of Bangor to extend its credit to the Railway Company to the extent of \$1,000,000 as an aid in completing the road as far east as Lincoln.

Hannibal Hamlin of Bangor and J. Edgar Thompson of Philadelphia were appointed trustees, and a bond issue for \$2,000,000 was made and the lands and road bed mortgaged as security. Construction was now pushed forward and the line was finished through to Vanceboro in 1871. At the formal opening held at Vanceboro, October 19, 1871, there were present General U. S. Grant, President of the United States, General Belknap, Secretary of War, Hon. Geo. M. Robeson, Secretary of the Navy, Generals Parker and Babcock of the President's Staff, James G. Blaine, Speaker of the House of Representatives, Sidney Perham, Governor of Maine, Lord Lisgar, Governor General of Canada, and Governor Wilmot of New Brunswick. Passenger trains began to run regularly from Bangor to St. John.

The operation of the road was not a success, interest on the bonds was not paid and so in 1880 the trustees foreclosed on the mortgage, the company was reorganized and the lands sold. This company operated until 1882 when it leased the railroad to the Maine Central Railroad for 999 years.

The lands granted to the European & North American Railway Co. and the Bangor & Piscataquis Railway Co. when sold brought about \$279,000.00, an average per acre of 36 cents. The low price obtained was because of the fact that the timber on much of the land had already been sold. So it can be seen that the aid granted by the state on the 115.4 miles constructed from Lincoln to Vanceboro and from Old Town to Katahdin Iron Works averaged per mile \$2,416, very much less than the \$10,000 per mile as was intended by the Act passed in 1864. A study of the increase in taxes (1870 to 1880) from the section of the state benefited would show receipts greater than the amount received from the sale of the lands.

This grant to the European and North American Railway Company has been referred to as the "crowning

calamity" of the wild land "tragedy" and called the "State Steal," in which millions of acres of the people's lands were deeded away to a private corporation. In one case the statement has been made that "a careful estimate shows that about 2,700,000 acres were given away by that deed, which the Governor of the State signed. The railroad, as a matter of fact, was constructed for a distance of about twelve miles, but the deed had been signed, sealed and delivered and thus ended the rights of the people in all that was left to them of a great inheritance."

The facts are that on May 13, 1868, Governor Joshua L. Chamberlain, as authorized and directed by the legislature, signed a deed calling for 1,000,000 acres more or less. This deed mentioned 92 townships, in many of which the state owned no land at all. The total number of acres to which the state had title and which were deeded to the European & North American Railway Company was about 690,000 and to the Bangor & Piscataquis Railway about 73,000 or a grand total of about 763,000 acres. On about 200,000 acres of this the timber had been sold by the Commonwealth of Massachusetts, so only the soil was conveyed to the railway company. On about 200,000 acres more the timber had been sold by the State of Maine for the benefit of the permanent school fund. In the case of the former there was no time limit in which to remove the timber, in the case of the latter the purchasers had until 1884.

This grant was no hurried affair, as can be seen from Governor Chamberlain's message to the legislature of 1868, as follows: "The favorable intention of the legislature of 1864 towards this road has not yet been made effective, owing to the unwillingness of Massachusetts to relinquish the debt of the State of Maine, which is in a sense a lien upon the lands conditionally granted the road. The company is now bending all its energies upon completing the road to Winn, ————. The lands at present, from the very absence of railroad facilities, would not command a very high price in the market; but if made available to the road, they would be of great immediate advantage to it, and would in a short time amply reimburse the state in the increase of taxable property. As it is, both lands and road languish. Start the road and

both come into activity at once; and perhaps this is the most expeditious way to make these lands available to the state in money."

It is to be regretted that high officials should throw suspicions around this transaction. Studied in the light of its times it was a very wise and business like policy for the state. It turned land which was bringing nothing to the state into a revenue producing asset through taxation. It gave the needed encouragement to those working for the opening up of the country by means of railroads. It resulted in the building of over one hundred miles of railroad, which have been the means of developing eastern Maine and which, in the event of war, at once became of the greatest military value. A study of the legislation of Maine from 1860 to 1870 brings to light a spirit of co-operation throughout the state, which we of today would do well to emulate. We advocate the building of highways by means of the sale of bonds of the state, all of which are to be paid by posterity and condemn the citizens of Maine of the sixties who aided the building of railroads for permanent development. Confidence and faith and co-operation were present in those days. Suspicion and prejudice and selfishness appear to have taken their place today.

I—GOVERNOR CONY'S MESSAGE TO THE LEGISLATURE OF 1864

"The purchase of Massachusetts, nominally large in its number of acres, added but little to this class. The lands which that Commonwealth had held in severalty and which Maine acquired by the purchase, came to us for the most part, burdened by permits or licenses to take off the timber, for which Massachusetts had been previously paid. These licenses are, the most of them, determinable when the land shall be needed for settlement, but that time is indefinite, and many be remote, and is not unlikely to give rise to controversies between the state and the parties permitted."

"In relation to the northeastern frontier, the only means suggested for its defense is the construction of a railroad, connecting it with our interior lines of communication, by which an army, with its munitions and supplies, can be rapidly concentrated on its line, or at its

terminals. As yet nothing has been accomplished towards securing the national aid for this great object. Thus far the railways of Maine have been the results of private enterprise, aided, in some instances, by the credit of certain municipalities. They have received no aid whatever from the National Government, by land grants, nor even by the refunding or remission of duties upon railroad iron, (except, perhaps in a single instance) both of which have been largely enjoyed by other states. In happier days, and as a means of development, the state, forbidden to use its credit for the purpose, made, on certain conditions, a grant of the public lands to the Aroostook Railway Company. The conditions not having been complied with, the grant lapsed. It was then, and is now apparent, that the construction of a railroad, whether for defense or development, to the eastern or northeastern frontier of the state, within a reasonable time, can only be accomplished by a combination of private enterprise and government aid, state or National. That under the circumstances, Maine is fairly entitled to call on the Government of the U. S. to aid in so important a work of defence, the defence itself being a national obligation, is very clear. The towns upon the St. Croix are liable to isolation and capture by land attack in the event of a rupture with Great Britain, for lack of speedy communication with the more densely populated portions of the state. As a purely defensive measure, in the absence of a better, our fellow-citizens in that portion of the state are justly entitled to your favorable consideration.

The very recent alarm on our eastern border, excited by rumors that a raid was being organized in the neighboring Province of New Brunswick, under rebel auspices, for the purpose of devastating our cities and towns, is an imputation of inefficiency in the police of that province, so gross as to be incompatible with good faith. As such, I should profoundly regret its verification. The incident, however, emphasizes the propriety of establishing, at an early day, some more speedy means of communication than is at present enjoyed with that frontier."

II—CHAPTER 363, LAWS OF 1864

Resolves asking the U. S. government to provide proper

defences for the northeastern frontier of Maine.

Whereas, It is made the duty of the federal government under the constitution of the U. S. to protect and preserve the integrity of the Union and defend each state in the maintenance of its sovereignty over its lawful territory; and,

Whereas, The original boundary of Maine extended northward to the dividing ridge that separates the St. Lawrence waters from those of the St. John River, the title to which was clear and unquestionable; and

Whereas, The U. S. Government neglected and refused to maintain and enforce the rights of this state to the upper basin of the St. John River, permitting British troops to march across said territory in the war of 1812, and at the time of the Canadian rebellion in 1837, and afterwards to hold military possession of the country; and

Whereas, The state of Maine in 1838 and 1839 attempted to repossess herself of the lawful territory and to protect her soil from spoliation by provincial trespassers; and

Whereas, The U. S. Government interposed its paramount authority, calling on Maine to withdraw all armed forces detailed for the protection of its territory, and assumed the duty and insisted on its exclusive control over all matters of needful defense of the same; and

Whereas, This duty of defending the territory of Maine was so imperfectly performed by the U. S. Government, that the territory was stripped of its most valuable timber before Maine could get possession of what remained to her after the ratification of the treaty of Washington, whereby a just and solid claim now exists against the general government, which has been practically recognized by the federal authorities at Washington; and

Whereas, The state of Maine is anxious to have a military railroad from Bangor to the St. John River, and has, by resolutions adopted by the Legislature of Maine, approved January 31, 1863, called upon the general government to carry out such a work, and this state is now ready to co-operate with the general government in affording aid to the parties who will undertake to build such a line of railway, and offers to assign its claims on

the general government to aid said enterprise, and to rendered other and further aid thereto; therefore,

Resolved, That Maine reiterates and reviews her demands on the general government in the language of the resolves of the legislature, approved by the governor January 31, 1863, that Maine expects and earnestly demands "that measures be taken at once by the general government" for the protection of its northeast frontier; that "this can be accomplished only by a military railroad from Bangor to the St. John river."

Resolved, That the people of Maine, zealously attached to the principals of the constitution and loyal to the Government of the U. S., surrounded on three sides by the territory of a foreign power, its other side fronting the ocean, where it is at all times exposed to attack by a superior naval power, by force of its position of incalculable importance to and steadily coveted by, the people of the British North American provinces, cannot fail to perceive their danger in case of war with anyone of the great powers of Europe, and they appeal to Congress for such aid and support as will enable them to protect their territory from foreign invasion, and secure them against further diminution of their active domain.

Resolved, That the Government of the U. S. having forced a reluctant assent from the state of Maine to the treaty of Washington, by which treaty the most valuable portion of the territory of the U. S. for military purposes was surrendered to Great Britain, securing to her a military route in the St. John Valley between Canada and New Brunswick, and the only adequate measure of compensation that can be awarded to Maine is the construction, by the federal government or through its aid, of a military road from Bangor to the St. John river, as suggested in the resolutions of Maine of January 31, 1863, that in order to secure this result the state releases and assigns to the European and North American Railway Company of Maine all claims on the federal government accruing prior to the year 1860, in case the U. S. Government affords such aid to said railway company as will enable it to carry out its line of railway from the City of Bangor to the St. John River, or to such point in the northern part of Maine as may accomplish

the objects and purposes sought for by the government of this state and of the U. S.

Resolved, That the government is authorized to prepare or cause to be prepared and printed such documents and evidence as may be needful to show the character, extent and value of the claims before mentioned.

Resolved, That the government be requested to transmit these resolutions to the president of the U. S. and to each House of Congress, and to the members of the Senate and House from Maine.

Resolved, That our Senators and Representatives in Congress be requested and instructed to use their utmost efforts to secure a recognition of the claims of Maine and the application of the proceeds to the uses and purposes above set forth.

> Approved March 25, 1864.

III—CHAPTER 365, LAWS OF 1864

Resolves inviting the Commonwealth of Massachusetts to co-operate with Maine in extending aid to a military road from Bangor to the St. John River.

Whereas, By the Act of Separation of Maine from Massachusetts approved June 19th, in the year of our Lord 1819, the Commonwealth of Massachusetts retained one-half of all the public lands lying within the then District of Maine, which had merely a nominal value, at the time Maine became an independent state, which lands from the care, oversight and guardianship of the same by the state of Maine, became of great value, from the proceeds of the sales of which, to individual purchasers large sums of money accrued to the treasury of Massachusetts, before the sales of her interests therein to the state of Maine; and,

Whereas, The state of Maine did on the fifth day of October, in the year of our Lord 1853, purchase all the remaining rights of the state of Massachusetts in and to the lands to her belonging, lying in the state of Maine, for the sum of 112,500 dollars in money and 250,000 dollars in five per cent. bonds of the state of Maine; and,

Whereas, The people of the Commonwealth of Massachusetts, especially those of the eastern part of said state, and of the City of Boston, have a great, if not an equal interest with the people of Maine in the settlement of the

northern, eastern and northeastern sections of Maine, and in the growth and prosperity of this state and will be directly benefited by the extension of railways to the northeastern frontier and to the lower British Provinces; and,

Whereas, The people of the state of Maine are desirous of securing a military railroad from the City of Bangor to the northeastern boundary, and of obtaining aid from Congress toward the accomplishment of said undertaking, and the state of Maine proposes to grant all the aid in its power to the parties who shall carry out said work, and assign to the European and North American Railway Company all its claims on the United States Government which occurred prior to the year of our Lord 1860; and,

Whereas, These claims are of little or no value in the present aspect of public affairs, but may be made useful as an inducement to aid a work of military necessities; and,

Whereas, The military necessities of the country now call for a railroad from Bangor to the St. John River, and the general government, through the officer in charge of the military department of the east, has expressed an earnest opinion in favor of this measure; therefore,

Resolved, That the Commonwealth of Massachusetts be respectfully invited to co-operate with Maine in its efforts to construct said railroad, and for this purpose to assign and transfer the claims jointly held by her with Maine on the Government of the United States to aid the construction of the European and North American Railway from the City of Bangor to the St. John River and to the boundary of New Brunswick; and also the unpaid balance of the bonds or certificates of indebtedness given by the state of Maine, as the consideration of the purchase of said lands, dated October 5, 1853, now amounting to \$225,000 and interest.

Resolved, That the governor be authorized and requested to appoint three commissioners from this state to present this application to the authorities of Massachusetts.

Resolved, That a copy of the foregoing preamble and resolutions be transmitted by his Excellency the Governor of Maine to the Governor of the Commonwealth of Massachusetts.

Approved March 25, 1864.