ANNUAL REPORT

OF THE

Riparian Commissioners

OF THE

STATE OF NEW JERSEY

FOR THE YEAR

1907

WITH ACCOMPANYING DOCUMENTS

SOMERVILLE, N. J.: The Unionist-Gazette Association, State Printers. 1908

Riparian Commissioners

Compared D	
GOVERNOR EDWARD C. STOKES, Chairman,	Trenton, N. J.
WILLIAM CLOKE, Vice Chairman,	Trenton, N. J.
ROBERT WILLIAMS,	Paterson, N. J.
M. F. McLaughlin,	Newark, N. J.
*John R. Reynolds,	Trenton, N. J.
JOHN C. PAYNE, Secretary and Engineer,	Jersey City, N. J.

(3)

*Deceased.

Commissioners' Report.

To his Excellency, Edward C. Stokes, Governor of the State of New Jersey and Chairman of the Board of Riparian Commissioners of the State of New Jersey:

SIR:—As required by law, we, the undersigned Riparian Commissioners of the State of New Jersey, herewith submit the annual report of the Commission for the year ending October 31st, 1907.

A detailed statement of the receipts of the Board from all sources will be found in the report of the Secretary and Engineer. They aggregate \$333,825.32, derived from the following sources:

Grants	\$140,690	98´
Leases	134,897	00
Licenses	1,750	00
Conversions	21,417	30
Rentals on Leases	35,070	04
- Total	\$222 825	

The revenue from the business done by the Commission during the past year is greater than for any previous year of its history. This is accounted for by the fact that small tracts of the desirable water front of the State, where it is valuable, have been selected by men interested in commercial development, and still point favorably to New Jersey as the home of important industries.

The Commission has maintained the advanced prices determined upon some time ago, and while considerable opposition and criticism has been manifested by applicants, the Commission has been successful in securing these favorable prices and without discouraging or driving away bona fide investors.

The detailed statement of the business of the Commission gives the name of the grantee, with the locality and amount paid for the

(5)

New Jersey State Library

REPORT OF RIPARIAN COMMISSIONERS.

conveyance, and, with the reports for the years 1903, 1904, 1905 and 1906, furnishes a complete record of the conveyances of lands under water made by the State of New Jersey through the Riparian Commission from its organization to the present time. Copies of these reports may be obtained from the Secretary of the Commission.

STATE'S TITLE TO LANDS UNDER WATER.

No litigation has been necessary during the past year to maintain the title of the State to lands under water and the question seems so well understood and settled that no attempt is now made, through unfamiliarity with the question, to evade recognition of the State's paramount title.

The case referred to in the last annual report of the Commission has been settled amicably and with complete recognition of the position taken by the Commission.

It was that of an owner under grant by the State, through the Riparian Commission, of lands under water out to a specified line, with provision for extension of the grant when the line was "legally extended," having constructed a pier beyond the line fixed by the State out to a line established by the United States Government, under the claim that the State grant gave the grantee the right; but the position taken by the Commission was that the Government in fixing a line did so solely with relation to the navigable channel of the waterway and was interested in the preservation and conservation of the channel and not only had no authority and made no claim to have any authority to grant the privilege to a riparian owner or holder to extend a pier to said line, but had disclaimed in other cases any intention of doing so.

The Commission was bound in equity and proper administration of the interests of the State to maintain the position it had taken and after careful consideration by the grantee in question the position of the State was recognized and an amicable settlement effected.

ARREARAGES OF RENTALS ON RIPARIAN LEASES.

The question of the collection of rentals on Riparian leases made by the Commission was one that occupied the attention of the Committee investigating the subject of riparian rights last year, and the fact was developed that there were large arrearages of rentals ex-

REPORT OF RIPARIAN COMMISSIONERS.

tending back some thirty years, and there seemed to be some question as to whose duty it was to collect these rentals as they came due. To set the matter at rest it may be well to state the practice of the Commission under the law: The lease is delivered by the Riparian Commission to the lessee upon receipt of the first six months' rental prescribed in the lease. This amount is transmitted to the State Treasurer, with a duplicate of the lease and the address of the lessee, and thereafter the Riparian Commission has no knowledge or reason for knowing whether the rentals are paid or not. It is a matter in the hands of the State Treasurer and always has been; but on this subject the Investigating Committee reported as follows:

"One of the questions arising in this investigation was as to the collection of rentals due on riparian leases and the arrearages of the same.

"Considerable attention was devoted by your Committee to an investigation of the reasons why so large an arrearage of rentals has been permitted to remain, and your Committee feel satisfied that this has been largely, if not altogether, due to technicalities existing in the law, by which, according to Attorneys-General Stockton and Grey, there was no way in which the payment of the moneys due for back rentals could be enforced.

"With this defect in mind, a remedial act was prepared and introduced into the legislature in 1905, but failed of passage. A somewhat similar act, however, was passed in 1906, and under its provisions the Riparian Board is at present successfully engaged in collecting large amounts of these arrearages."

Under the authority of the act the Riparian Commission has been engaged, during the past year, in enforcing its provisions. A list of the leases reported to the Commission by the State Treasurer as subjects, under the act, for action by the Commission, will be found in the report of the Secretary and Engineer.

Notices were sent to all of the parties named in the list, and, as a result of these notices \$6,000.00 was paid into the State Treasury, through this Commission, and in the rest of the cases the Commission proceeded under the law to visit the lands in question and enter upon and take possession of the same in the name of the State. Upon this being accomplished, report was made to the State Treas-

REPORT OF RIPARIAN COMMISSIONERS.

urer and these leases were thereupon cancelled on August 29th, 1907, and the lands again made subject to disposal by the State.

POLICY OF THE STATE WITH RELATION TO ITS RIPARIAN LANDS.

Much attention was given by the Legislative Committee investigating the subject of "The granting of riparian lands by the State" to the policy that had been pursued. A few of the newspapers of the State—three or four out of the fifty-five—had taken exception to the policy pursued by the Commission.

It is of importance to note in this connection that at one of the later meetings of the Committee its Chairman, Senator Wakelee, took the trouble to make the following announcement:

"The Committee has decided that it will adjourn until next Thursday, the 27th, at 2 o'clock, and we request the Secretary to notify all members of the Committee, all members of the Riparian Commission, the Governor and Attorney-General, and also send notices, as far as he may be able, to all of the newspapers of the State that the Committee at that time will take up particularly the question of the advisability of the State changing its policy and in the future granting nothing but leases of riparian rights.

"Up to this time there have been many people who have appeared here in opposition to leases, but there has been no one either voluntarily or by subpœna appeared here in favor of the policy of leasing only, and we especially request that anybody in the State who knows anything about or is in favor of the policy of leasing the land, shall appear here and let us know why they favor that policy. Those that are opposed to confining the disposition of these lands to leases only are again invited to give their reasons to that opposition. We will confine that meeting to the general discussion of that one point."

And it is of interest to note that although these notices were sent out and published, only one person appeared to advocate a change in the policy of the State, but many appeared in support of it. The Investigating Committee reported on the point as follows:

REPORT OF RIPARIAN COMMISSIONERS.

"Hearings of the Committee were publicly advertised, and personal notices sent to those people of the State and adjoining states who might reasonably be supposed to be interested in this subject to appear before the Committee and give it the benefit of their judgment.

"A large number of representative men—men who own water front property as manufacturers, or who were attorneys for such holders of water front property, or who were interested in the sale and development of the same—appeared before the Committee; and, of all the men who so appeared on this subject, but one argued in support of limited leases and against the practice of making grants in fee or perpetual leases; but, with one single exception, all of these men, intimately interested and connected with this subject, advocated the continuance of the practice which has obtained in the past."

In a paper read by Mr. William Cloke, the Vice Chairman of the Board, prepared at the request of the Attorney-General, for the information of the Investigating Committee, he said:

"What I am about to say is the result of my study of this riparian question, and of my experience of ten or more years on the Riparian Board, and a careful study of the situation. What I propose to say here is in vindication of the policy that has been pursued by the State of New Jersey from the first, in the disposal of this riparian property. I know there has been some criticism of that policy in a few newspapers—three or four out of the fifty-five daily newspapers in the State I think have criticized that policy. They have held that the legislative grants made years ago to large corporations, etc., was parting with this valuable asset of the State for a song, and that the Riparian Board has since parted with valuable assets of the State for a song, etc. Now, what I say is in vindication of the policy of the State against this criticism.

"New Jersey originally owned all the land under water from high water mark out to certain fixed but variable limits. Some of these lands were disposed of by freeholders' licenses and others by legislative grants. Finally all that remained were placed in charge of the Riparian Commissioners to dispose of on such terms 'as they shall deem necessary and most conducive to the interests of the State.'

REPORT OF RIPARIAN COMMISSIONERS.

"In all these forty years it has been the policy of the Riparian Commissioners to dispose of these lands on such terms and conditions as were best calculated to develop our shore front, bring capital, enterprise and population into New Jersey, and at the same time realize as large an amount as possible. having in view the main purpose, for the State. To exact the last dollar for them was not regarded as such 'main purpose.' They were regarded as State territory, to be disposed of on liberal terms to a desirable class of population, who would improve and transform these barren shores and mud flats into scenes of commercial and industrial activity. They were regarded as bearing much the same relation to their owner, the State, as the upland bore—as an undeveloped asset which capital and labor should be induced to occupy and develop. This policy has operated beneficially. It has built up our tidal water shore fronts, added tens of millions to our taxable resources, and hundreds of thousands to our population.

"But within a recent brief period a new school of economists has arisen to question the wisdom of this policy. It is held that the State should part with no more of these shore front lands except on terms that would assure to the State the 'unearned increment.' It is proposed that the State shall become a permanent landlord in connection with its own citizens. Attention has been called, in support of this proposed change of policy, to the great increase that has taken place in the value of some of these lands since the State parted with them. One grant, it is said, made twenty years ago, is now assessed at five times what it was sold for; and other instances, still more striking, are given.

"These instances simply prove that it is by the sale or leasing of these undeveloped riparian lands that the State derives its chief advantage. Why, the entire territory on which Jersey City and Hoboken now stand was once sold for \$10,600. The Riparian Commissioners to-day could give this Committee numerous instances of riparian properties sold by them within the past two or three years, now being worth not only five times, but twenty or even thirty times what the State received for them. The increased value is due to the costly improvements made by the purchasers.

"It is easily within bounds to say that the lands under

REPORT OF RIPARIAN COMMISSIONERS. II

water that have been disposed of by legislative and other grants from the beginning, are now worth one hundred and fifty millions of dollars. At the average tax rate of the State, which is said to be 2 per cent., this property now returns to the municipalities and the State, in the shape of taxes, three millions of dollars a year, or more than one-half the entire amount that has been realized from the sale and leasing of riparian property in half a century. In ten years this improved property now pays in taxes thirty millions of dollars; in twenty years, sixty millions of dollars, and in thirty years, ninety millions of dollars. Here is where the public schools derive their best advantage from the use of these riparian lands—from converting them into a taxpaying asset. Is not this better policy than to retain them in the possession of the State in the shape of non-tax-paying, undeveloped mud flats?

"For, bear in mind, that until it is sold or leased, this property pays no taxes at all, not a cent. It is State property, and State property pays no taxes. It is only after the State disposes of it, and it gets into private hands, that it begins to pay taxes.

"The argument advanced by the economists who condemn the policy the State has pursued for half a century, that these valuable shore fronts in Hudson county have been parted with by the State 'for a song,' as they put it, and that if the State had held on to them they would now be worth many millions, is therefore fallacious. The 'song' the State received for them was not only the few millions in cash for which they have been sold, but the magnificent and costly improvements that now adorn this shore-the numerous ferries, the splendid piers and warehouses of the German steamship companies, the great depots of the Delaware & Lackawanna Railroad Company-the big grain elevators of the Erie and other companies, the great stations of the Pennsylvania and other railroads; the numerous great industrial and commercial establishments, all teeming with well paid artisans and workers, and hundreds of other industries that add to the wealth and greatness of the State, live assets bustling with energy and returning millions a year in the shape of taxes.

"The relation of the State to this under-water domain is closely analagous to that of the general government toward

the vast undeveloped west in the latter half of the past century. The Government did not hold on to this magnificent domain in the spirit of a greedy landlord, intent on filling the National treasury with the unearned increment. It hung the Nation's latch-string outside the door and invited all worthy industrious citizens to enter upon, and enjoy freely, this vast stretch of fertile land—to carve out homes for themselves and their children, to build up thriving American communities and to build great cities and commonwealths on these broad prairies. Was it wise policy? Did it pay?

"The same broad statesmanship has disposed of our riparian domain in a way best calculated to bring capital, enterprise, population and wealth to our State. It has converted barren shores, idly lapped by unused waters, into great harbors; has built up large and prosperous cities, with factories, mills and machine shops on our shores, and has filled the air of those marshes and mud flats with the music of industry and commerce.

"I have corresponded with a number of firms that lately secured riparian grants from the State, asking them certain questions. The data they give are illuminating. I have summarized it.

"The American Cotton Oil Company, who secured a grant near Guttenberg last year, say it was assessed for that year, after the improvements were made, at \$368,800, and paid \$7,412.88 in taxes. Before that it was assessed at only \$25,000. They say they would not have taken the property on a lease 'unless the terms were so liberal as to amount to practical ownership.' The company pays \$136,000 a year in wages.

"The American Smelting and Refining Company, with plant at Maurer, employ about 1,200 men and pay out \$600,000 a year in wages. The yearly tax is now \$8,000. Before the riparian property was sold and the improvements made, it paid about \$100 a year in taxes. 'We should not have located our plant there had the State limited us to a limited lease of the lands under water and refused to make us a grant,' say they.

"The Chrome Steel Works in Woodbury Township was assessed last year at \$200,000. This year they expect it will be assessed at from \$400,000 to \$500,000. They now employ 360 hands and will employ at least 500 when all the departments are under full headway. The wages amount to \$200,000 for the current year. The taxes paid in 1904 and 1905 were nearly \$6,000 a year, whereas for 1903, before their improvements were made, the taxes amounted to \$561, being on an assessed valuation of \$20,400. 'We certainly would not have erected buildings of the character that we did erect if we could have secured only a limited lease; it would certainly have to be a long lease,' they say.

"James Pyle & Son say, 'We beg to assure you that if we could not have purchased the riparian rights in the lands under water, we would not have located at Edgewater, it being at all times our policy to own the lands on which our works stand.' Their works at Edgewater are now under construction. They will employ about 150 men to start with.

"I think it would be a mistake to limit the Commissioners to leasing these riparian lands; it would be wiser to continue in them the discretion that has always been exercised. There are cases in which large and important enterprises would be driven away from New Jersey, if only leases were given. There are cases where large holders of riparian property that have been improved by the erection of immense and costly structures desire a little additional riparian property to enlarge their plants. They would not want to build such additions on leased lands.

"If the State goes into the business of improving its lands under water in order to make them marketable, it requires no very fertile imagination to conceive what wire pulling and pressure will be brought to bear in the legislature for appropriations for such improvements within their limits. New York City has expended over one hundred millions of dollars in improving her water front property, and yet gets but very small interest on the investment in the shape of rentals."

Upon reading the above paper of Commissioner Cloke, Governor Stokes publicly stated, in a speech before the Investigating Committee, that he had been much impressed by Mr. Cloke's paper, giving his views on the policy of the State in relation to the disposition of its lands and by the facts collected and presented in the paper; and suggested to the Committee that due consideration be given to the paper in reaching its final conclusion.

The opinions of men, not speculators, but investors and holders of property and interests is the best evidence on this subject. The

New Jersey State Library

REPORT OF RIPARIAN COMMISSIONERS.

14

following are a few of the opinions expressed by witnesses before the Legislative Investigating Committee :

Mr. Peter Bonnett, Comptroller of the City of Elizabeth, says:

"With your permission I will read a portion of the resolution that was passed by the Elizabeth Board of Trade:

"Resolved, That the Board of Trade of the City of Elizabeth is opposed to any change or modification in the present method of disposing by grant or lease, of the Riparian lands of the State, and that they are also opposed to the State charging unreasonable prices for its unsold riparian lands.

"In reference to the question of refusing hereafter to make grants in fee, and substituting therefor a lease for twenty-five years for the utilizing of the land under the waters of the State, I would say that it is our view and opinion that, under that plan the revenues of the State from the vast majority of its ungranted lands at the present day, would absolutely cease. There may be a few localities, a few favored spots, where, under such a condition as that, no private owner willing to take them, no capitalist daring to invest in them, you might introduce a bill and have, as has been done by public authorities, the State purchase the adjacent upland, the land which furnishes access, and then invest a large sum in building the extensive works of reclamation and dockage that would be required, and then you would have something that could be leased; but you could only lease it to a very unimportant class of people, to people whose improvements would be of a ephemeral character and the return from such a form of leasing in any part of the State of New Jersey with a very few exceptions-perhaps on the Hudson river-would be entirely without satisfactory result. I say that confidently, because I am familiar, by my connection with shore owners, in a section of the State of New Jersey which lately has done as much for the growth and development of the State as any part of it, that is that section around Elizabeth that we are intimately connected with, the Passaic and Hackensack rivers, the Newark Bay frontages, the frontage on Arthur Kill or Staten Island Sound and the Raritan river-I am familiar with the fact, for there, gentlemen, we have developed in the last fifteen or twenty years, some grand manufacturing industries, and located some of the largest manufactories in the country.

We have factories there of quite recent location, the output of which we commonly refer to as a concern doing a business of ten million dollars a year-a fifty-million-dollar-a-year business. That is the class of people that we have located in that neighborhood. Now, gentlemen, in order to locate a factory of this class -and I may say that I personally have had much to do with that class of business, both in dealing in and disposing of riparian lands,-to locate a factory of the class I speak of, and those which have built up that part of New Jersey, there are three requisites. In the first place there must be a suitable area of land sufficient for the works; sufficient for the work they are to do now and for prospective development. Then there must be suitable land access; there must be highways; there must be railroad tracks and switches carried down to the works: the party must have the ability to communicate with the main land, to procure its labor. Then when the shore owner has spent his time and ability in fitting his land for that development he comes up against the State of New Jersey and its demands for a valueless strip of land lying under the water between the shore and the channel; then he is up against the Riparian Commission and the taxes which the State of New Jersey puts upon development in that section. We do the best we can, we make the best bargains we can, but if you change the law so that we cannot get a grant, even though we pay an exorbitant price for it, you will drive that class of improvement to other states where they can obtain absolute grants.

"You cannot get people to create the business of the class I speak of and put capital in that place and then be limited to a temporary twenty-five year lease for that little thing held by the State which is a component part of, and necessary for, the development of that business."

Mr. H. H. Isham of the City of Elizabeth, says:

"The policy of the State of New Jersey should be to have its lands improved and they cannot be improved until large concerns, that have the capital, want them enough to improve them, and, in going before the Riparian Board at Jersey City when that very, in my mind, estimable man, and a man of profound judgment, Amzi Dodd, said to me that he had always maintained that the policy of the State should be not to charge

REPORT OF RIPARIAN COMMISSIONERS.

anything for this land but to encourage the development of it on the ground that it then became a permanent investment for tax purposes for the State and the State would reap tenfold more by encouraging that development than it would ever get by being a land speculator and locking it up so that the improvements would not be made; and as Mr. Bonnet has said, the disposition to keep crowding up these prices has driven over to New York, where there is no charge made for land, many enterprises, clear out to Jamaica Bay, where they can get that land for nothing, driven away the very improvements that ought to have come to the Jersey shore, and the policy of the State to make grants should be continued. These improvements never will be made unless the man making the improvements feels that he is going to get a title by which he can sell these improvements if it ever becomes necessary, and it cannot be undertaken by anybody excepting those of large means. I think it would be purely suicidal if you are going to lease State lands under water to make the leases for any short terms."

Mr. P. Sanford Ross, the head of a large dredging and dock building company, said:

"To those people who own their own water fronts, by grant, in a financial way, I consider the stopping of making grants would be an advantage to them, make their lands more valuable. I think it would be a bad thing for the State to decide to make no more grants and merely make leases, for the reason that improvements to these lands are very expensive. The bulkheading and filling would represent three to four times, and may be five times in some cases, the value of the grant purchased from the State. The improvements are generally very important work, costing hundreds and thousands of dollars, and sometimes running into millions of dollars, and the people who want these lands want them for large manufacturing and commercial interests, and have to make or should make permanent improvements. If they were not able to buy the land under water, but only lease the land, even though it were for a long term, I think the tendency would be to make as economical improvements as possible, what might be called temporary improvements, which would not certainly be as attractive as more permanent improvements, and would be less valuable.

REPORT OF RIPARIAN COMMISSIONERS.

"Then, again, it would not attract large interests to our shore if they could be accommodated elsewhere, as they could be in Staten Island and at Newton creek, although that is pretty well improved.

"Now, on the shore of Long Island and at Mott Haven, there is still a large property to be secured. The tendency would be to stay away from New Jersey, although their preference would be to come here."

Mr. Harrison Van Duyne, Civil Engineer, representing important industries on the Passaic River at Newark, testified:

"So that in my judgment it is tremendously against the interests of any municipality to have its water front put in that position of a leasehold, unless the State is in the position of being ready to buy the shore front. You must remember the State could not get on its property except from the water side, unless the State is ready to put itself in the position of buying the shore there and building the docks."

Frederick Seymour, Esquire, of Orange, representing important commercial interests on the Hudson River, said:

"Our application has been pending two years. A good part of that time we have been trying to fight down this price; we thought it was unfair and unjust, jumping us from \$60 to \$150, but we were never able to persuade the Riparian Commissioners to take our view of the matter, and we have, therefore, accepted the inevitable, and, so far as lies in our power, have accepted the valuation they have put upon it. It would be, it seems to me, the height of foolishness for us to accept a lease of 20 or 25 years for property the extreme value of which is now placed at \$50,000, when to utilize it we must put from \$350,000 or \$400,000 of additional value upon it; not in buildings which will deteriorate, not in the superstructure, but in the making of this land under water land above water, so that it can be used for putting buildings there; so that it can be used for any purpose whatever. If we should have a 20 or 25 years' lease for nothing, I don't see Low any man would be justified in sinking there \$350,000 or \$400,000, which would become the property of the State at the termination of that lease, unless the State is

19

REPORT OF RIPARIAN COMMISSIONERS.

prepared to say it will buy from us the land we have made there at that time. Of course, I haven't given that any very serious consideration, in view of the fact that the proceeds of the riparian lands are devoted to the school fund, but I have had some difficulty in seeing where the State would get the money to do it. I suppose it might be appropriated from the general fund."

H. A. Smythe Martin, Esquire, the President of the Water Front Improvement Company, said:

"Now, for the last year, I have worked simply with factories to bring them to this piece of property, but I can't get anybody to settle there on a lease. No one will take a lease and build a factory there and go to the expense of bulkheading, the expense of filling in, and the expense of dredging, after you get your alleged water front, which is a mud front along there. These expenses are so excessive that no one would do it, for two reasons. No sound business man could get any backing-any assistance financially. Both these companies there mortgaged their plants. The Pearline Company issued bonds, and only did so by paying off the mortgage, and I have a letter which answers the question which was put to me the other day by the Riparian Commission, 'How soon will you exercise your right to convert this lease into a grant?' I said just as soon as the property is sold from time to time, or as soon as we get the ready money. I said, we are carrying a very heavy piece of property, sixty acres, and out of that sixty acres we have eighteen acres of meadow land; all the rest is the side of a hill. We are going to take down the side of the hill and throw it into the front, as soon as we can, and fill in back of the bulkhead with ashes, if necessarv."

And the final report of the Legislative Committee on the subject ought to be convincing. They said:

"Your Committee is impressed by the fact that, situated as the water front of the State of New Jersey is, it is in a distinctly different class from that of the city of New York, and a development and supervision possible in the city of New York. is not practicable in the State of New Jersey." The City of New York has a public street running around almost its entire water front, giving uninterrupted access to its water, and making it possible for the municipality to improve the water front and dispose of it by sale or lease without consulting any other interest.

"This is not so in the State of New Jersey. The water front is geographically and physically so situated and shaped that such development is impossible. The owner of the land down to the high-water line is practically the only person that can develop the adjacent water front advantageously, or, indeed, at all; and though the State's title to the land under water may be complete, it cannot furnish access to this land under water without the acquiescence of the upland owner.

"Your Committee, in the course of this investigation, has, in addition to hearing a great deal of testimony, made various examinations of the shore front of the State; and, in the examination of one section of the State, running from Elizabethport, on Newark Bay, through the Kill von Kull, up the Bay of New York and up the Hudson River, above Fort Lee, to the beginning of the Palisade Reservation, was impressed by the importance and the magnitude of the commercial development of this shore front.

"The water front of Elizabeth, of Bayonne, of Jersey City, of the city of Hoboken, shows the magnificent development that has taken place, and while your Committee is mindful of the large present value of this water front, it is also impressed with the enterprise, skill and the enormous amount of money involved in this development. It also recognizes that neither the State nor the municipalities could ever have advanced the money necessary to have made these improvements nor would they have possessed the foresight or skill to have successfully planned them."

And along with this endorsement of its policy the Committee recognized and commended the business sagacity of the Commission in securing adequate compensation while encouraging the development of the State's commercial water front and building up its industries.

20

THE GOETCHIUS GRANT.

Another matter developed by the investigation was the grant by a former board to John M. Goetchius of a valuable tract of land on the Hudson River at Fort Lee, in front of what was known as the Annett property, for a nominal consideration, and it seemed that the State's interests had not been properly protected. The grant was made under the advice of the Counsel of the Board, and during the investigation the Attorney-General stated to the Committee that the Board was perfectly justified in relying on the opinion of its Counsel and that he could not see how it could have done otherwise. At a subsequent meeting of the Board, Commissioner William Cloke offered the following resolution:

3

"Whereas, It appears from the testimony given in the investigation of Riparian affairs by a Committee of the legislature, that there is reason to believe that a grant of lands under water, located on the Hudson River, in Bergen County, made on the 25th day of September, 1901, to John M. Goetchius, was made on a misstatement and misunderstanding of the facts, and

"Whereas, It was also developed in such investigation that the case was still further and most seriously complicated by the prior existence of a lease covering the lands granted, which lease is alleged to have been cancelled, all of which facts and allegations becloud and cover the transaction with doubts which should be cleared up in a judicial proceeding, therefore be it

"Resolved, By the Board of Riparian Commissioners that the Attorney-General of the State be and hereby is respectfully requested to institute such legal proceedings as in his judgment are best adapted to the vindication and assertion of the rights of the State in this matter."

The Assistant Attorney-General, Mr. Nelson B. Gaskill, is prosecuting this suit at the present time and has every expectation of recovering this valuable tract of land.

OYSTER QUESTION.

Some criticism was directed against the Riparian Commission by persons interested in using the natural oyster lands of the State. The complaint was made that the Riparian Commission was making grants of natural seed grounds. As a matter of fact, the Riparian Commission had made no grants for a number of years for the purpose of cultivating oysters and had used a form of grant that it was advised was a proper form in carrying out its duties under the statutes it was appointed to carry out.

The suggestion in the report of the Investigating Committee that the Oyster Commission in the county in which the lands applied for lie be notified of such application, has been complied with, but no new light has been shed on the subject by this plan, as neither the Oyster Commission nor the Riparian Commission have the authority to change existing laws; and the Riparian Commissioners, after one of these desultory conferences, submitted the question to the Attorney-General of the specific form of grant to be used where the oyster question is involved, and he approves of the identical form the Commission has been using for years to comply with the constitution and the law under which the Commission is appointed.

In order, however, that there may be no misunderstanding on the part of any grantee of the effect of the language used in the form of grant in use, the Commission had adopted the following clause for insertion in conveyances where any question affecting the oyster industry is, by any probability, involved:

"Nothing, however, herein contained to bestow upon the said grantee any oyster privileges, or to be construed as a usurpation by or on the part of said Riparian Commissioners of the powers or privileges of any oyster commission created or existing by law."

DEATH OF COMMISSIONER REYNOLDS.

Vice Chairman Cloke brought officially before the Board the death of Commissioner John R. Reynolds, which occurred on Friday, October 4th, 1907, and on motion of Commissioner McLaughlin, the following minute was unanimously adopted, ordered entered on the minutes and an engrossed copy directed to be made and sent to the family of the deceased:

"Commissioner Reynolds was appointed a member of the Board by Governor Franklin Murphy and took his seat with the Board on May 26th, 1904.

22 REPORT OF RIPARIAN COMMISSIONERS.

"The Board desire, publicly, to testify to the ability and fidelity with which Commissioner Reynolds administered his duty as a Riparian Commissioner of New Jersey.

"Commissioner Reynolds brought to the consideration of the questions presented to the Board a keen business sense, with a mind open to the interests and point of view of the applicant, as well as a desire to do his duty by the State.

"The Board desire to give expression to their personal regard for the manly qualities which made association with him a pleasure and aided materially in reaching conclusions just and fair to all interested.

"Personally, Commissioner Reynolds was of quiet and somewhat retiring disposition, but most affable and engaging, and, in the consideration of questions presented to the Board, often of a perplexing character, and sometimes questions, the consideration of which tried the minds and dispositions of men, always brought a genial influence to bear and relieved the situation of any strain or apparent friction.

"It has been evident to the members of the Board that for some considerable time Commissioner Reynolds' health was impaired and that he, at times, suffered keen physical pain; but in all of his intercourse with the Board no word of complaint ever escaped him, and his intercourse and conversation was that of manly Christian fortitude and self control.

"The surviving members of the Board of Riparian Commissioners deeply regret the loss of Commissioner Reynolds and respectfully tender to his bereaved family their heartfelt sympathy, and direct that this expression of their appreciation of the character and services of their former associate be spread in full on the minutes of the Board and copies of the same be sent to the family and to the press of Trenton, his former home."

WORK OF THE BOARD.

The Board desires to officially express its recognition of the fidelity and professional skill exercised by its Secretary and Engineer in the work of the Commission.

Mr. John C. Payne has been associated with the work of the Riparian Commission for thirty years. He associated himself, in 1877, with the Honorable Robert C. Bacot, the first Engineer of the Commission appointed in 1864, and when Mr. Bacot, by reason of declining years, retired in 1897 with honor and the respect of the Commission and State, Mr. Payne succeeded him as Secretary and Engineer and has continued as such until the present time; and the Board takes pleasure in testifying to Mr. Payne's fidelity to the work of the Commission and to the interests of the State committed to its care.

The meetings of the Commission have been largely attended during the year; numerous examinations have been made in localities where applications have been presented; and the Board has had the helpful attention of the Attorney-General, Honorable Robert H. McCarter and of the Assistant Attorney-General, Mr. Nelson B. Gaskill, both in legal opinions on questions formally presented to the Attorney-General, and in their attendance at meetings of the Board.

Respectfully submitted,

WILLIAM CLOKE, Vice Chairman, ROBERT WILLIAMS, M. F. McLAUGHLIN,

October 31st, 1907.

Riparian Commissioners.

Engineer's Report.

To the Riparian Commissioners of the State of New Jersey:

GENTLEMEN:—The following tabular statement shows the grants, leases and licenses made by the Riparian Commissioners during the year ending October 31, 1907, the names of the grantees or lessees, dates, localities and amounts paid, or secured to be paid, to the State:

(25)

GRANTS.

40.14

100

DAT	Е.		TO WHOM MADE.	LOCALITY.	COUNTY.	AMOU	UNT.
							· · · · · · · · · · · · · · · · · · ·
fay	31,	1905.	Edwin Montgomery Lehigh Valley Railroad Co. of N. J	Grassy Sound	Cape May	•	\$129 60°
ugust	30,	1906.	Lehigh Valley Railroad Co. of N. J	Mill Creek	Hudson	. ~	50 00
ugust	30,	1906.	United Real Estate Company	Mill Creek	Hudson		40 00
ecember (27,	1906.	City of Atlantic City	Atlantic Ocean and			
				Absecon Inlet	Atlantic		24,794 57
anuary '	17,	1907.	Cape May Real Estate Co	Atlantic Ocean and			
			* · ·	Thoroughfares	Cape May		10,000 00
ebruary	13,	1907.	City of Atlantic City	Atlantic Ocean and			
				Absecon Inlet	Atlantic		21,062 50
pril	6,	1907.	United N. J. Railroad & Canal Co	Passaic River	Hudson		600 00
pril	б,	1907.	United N. J. Railroad & Canal Co	Hackensack River	Hudson		7,320 00
lay	6,	1907.	Louisa Jones	Inside Thoroughfare	Atlantic		15 50
lay	6,	1907.	Fanny M. Godfrey	N. Shrewsb'y River.	Monmouth		230 00
Iay	O .	1007.	I. Edward Ogden	Kill von Kull	Hudson		30,000 00
ſav	0.	1007	Sarah V. V. Sewell	Mill Creek	Hudson		10 00
Iav -	.9,	1907.	George S. Nixon William Henry D. Jones	Grassy Sound	Cape May		24 00
Iay	0.	1907.	William Henry D. Jones	Grassy Sound	Cape May	2.1.1	30 29
Iav	Ó.	1007	John A. Wenderoth	Grassy Sound	Cape May		24 00
Iav	0.	1007.	Caleb Williams	Grassy Sound	Cape May		40 00
Iav	ó.	1007.	Ocean City Association	Beach Thoroughfare	Cape May		75 00
Iav	ó.	1007.	Ocean City Association	Atlantic Ocean	Cape May		750 00
Iay	23.	1007.	Gilbert L. Parker	Delaware Bay	Cape May		271 14
Iav	23.	1007.	John Y. Smith & Anthony J. Barker	Grassy Sound	Cape May		40 00
lay	22	1007	Keystone Leather Company	Coopers Creek	Camden		622 00
lav	23.	1007	Catherine O'Neill Henry Demmert	Shrewsbury River	Monmouth		267 50
lay	$^{-3}$	1007.	Henry Demmert	Clav Pit Creek	Monmouth	· ·	140 00
lav	23.	1007.	Jesse and Elizabeth Lawrence	Shrewsbury River	Monmouth		Nominal.
lay	23	1007	Ocean City Association	Great Egg Harbor			· .
ia)	-3,	-90/1		Bay	Cape May		102 51
lav '	22	1007	Rebecca J. Parker and others	Shrewsbury River	Monmouth		160 00

June	б,	1907.	Agnes Frear Tompkins	Inner Channel of	1	1		
_				I Shrewshury River	Monmouth		37 50	
June	6,	1907.	William J. Wheeler	Manasquan River	Ocean	1 .	53 70	
June	б,	1907.	Nairn Linoleum Company	Passaic River	Hudson	1	1,400 00	
June	· 0,	1907.	Calvin Tomkins	Passaic River	Hudson	1	10,933 80	
June	21,	1907.	Antonio Delia	Mill Creek	Hudson		10 00	
June	22,	1907.	Borough of Edgewater Charles H. Leudeke	Hudson River	Bergen		7,500 00	RE
June	27,	1907.	Charles H. Leudeke	Shrewsbury River	Monmouth	-	150 00	. [1]
June	27,	1907.	H. J. Heinz Company John L. Burk	Fenwick Creek	Salem		407 86	PORT
June	27,	1907.	John L. Burk	Beach Thoroughfare	Cape May		26 66	Ĕ
June	27,	1907.	United Lead Company	Arthur Kill	Middlesex		6,250 00	2
June	27,	1907.	William J. Krieg, et als	Staten Island Sound	Union		750 00	
June	27,	1907.	Jacob and Anna Ida Knodel	Shrewsbury River	Monmouth		296 70	\circ
June	27,	1907.	Avalon Improvement Company	Atlantic Ocean	Cape May		1,070 00	ΓT'
August	- 8,	1907.	Michael Fav	Raritan Bay	Monmouth		148 50	H-1
August	8,	1907.	Theodore Melius	Passaic River	Essex		1,648 05	\simeq
August	δ,	1907.	James Brady's Sons Co. Inc	Kill von Kull	Hudson		4,475 00	RIPARIAN
August	8,	1907.	Louis J. Scherf	Shrewsbury River	Monmouth		Nominal.	\geq
August	δ,	1907.	Harry A. Brown	Shrewshury River	Monmouth		Nominal.	R
August	. 8,	1907.	John Green and Fanny Green	Shrewsbury River	Monmouth		Nominal.	. 5
August	· 0,	1907.	Charles M. Laintor	Kill von Kull	Hudson		2,525 00	Ð
August	29,	1907.	Peter Le Tellier and Emma Studer	Shrewsbury River	Monmouth		150 00	
August	29,	1907.	Francis Churchill Rogers	Gull Island Thor-			. 0	<u></u>
			- · · · · ·	oughfare, Cres-				0
				see's Thoroughfare	2	1		OMMIS
				and Great Sound.	Cape May		500 00	\leq
August	29,	1907.	Charles A. Osborn	Manasquan River	Ocean		181 00	E
September	12,	1907.	John A. Roebling's Sons Co	Delaware River	Burlington		1,938 00	SC .
September	12,	1907.	Sallie G. O'Reilly	Atlantic Ocean	Atlantic	1	375 00	- H
September	12,	1907.	James F. Hinde	Shrewsbury River	Monmouth		165 00	0
September	20.	1007.	David Baird	Delawara River	Comden		1,200 00	\mathbf{z}
September	20,	1907.	Alexander M. Fraser	N. Shrewsh'y River	Monmouth	1	220 00	IONERS
September	26,	1907.	Arctic Ice and Milk Co	Cohansey Creek	Bridgeton		71 00	- R
September	26,	1907.	Arctic Ice and Milk Co Israel G. Adams	Atlantic Ocean	Atlantic		420 00	
September	20,	1907.]	Israel G. Adams	Atlantic Ocean	Atlantic	· ·	145 60	
September	20,	1907.	Israel G. and John D. Adams	Atlantic Ocean	Atlantic		844 00	
		·	T + 1	· · · ·				
	·		Total				\$140,690 98	N

LEASES.

DAT	E.	TO WHOM MADE.	LOCALITY.	COUNTY.	PRINCIPAL SUM.
August September April May May	27, 1906. 25, 1907. 23, 1907.	New Jersey and Hudson River Rail- way and Ferry Company Frederica Gore Davis, et als Bulls Ferry Chemical Co Henry P. Osborn Sound Shore Front Improvement Co	Hudson River Hudson River Hudson River Newark Bay	Bergen	\$13,260 00 70,762 00 49,410 00 840 00 625 00
		Total			\$134,897 00

28

LICENSES.

DAT	ſ E.	TO WHOM MADE.	LOCALITY.	COUNTY.	AMOUNT.
December	7, 1906.	Atlantic City and Ocean City Railroad Company	Great Egg Harbor		
March	11, 1907.	Board of Freeholders of Middlesex County	Вау	Atlantic City and Cape May	\$1,500 00
May June June		Geo. W. Rogers & Co Benjamin A. Van Brunt New Point Comfort Beach Co	Cheeseq'kes Creek Tidal waters in	Middlesex Monmouth	
		Total		••••••	\$1,750 00

REPORT OF RIPARIAN COMMISSIONERS.

REPORT OF RIPARIAN COMMISSIONERS.

30 00 00 00 00 00

REPORT OF RIPARIAN COMMISSIONERS.

SUMMARY.

	· · · ·
Grants	\$140,690 98
Leases	134,897 00
Licenses	1,750 00
Conversions	21,417 30
Rentals on Leases	35,070 04
- Total	\$200 Port 00
	φ <u>3</u> 33,025 <u>3</u> 2

On December 21st, 1906, the State Treasurer, acting in accordance with the provisions of Chapter 83 of the Laws of 1906, furnished the Riparian Commission a list of lessees in arrears of rentals

\$6,000.00, were paid, and the balance were forfeited August 29th, 1907, and the lands recovered and now subject to application. They are as follows:

on their riparian leases. In four of these cases the rentals in arrear, amounting to

LEASES.

DATE OF LEASE.	LESSEE.	LOCALITY.
December 15, 1892 June 27, 1901 September 16, 1807	Wm. Walter Phelps and George S. Coe William B. Dana John A. Treanor Chas. A. Brown and John Fleming Edgar W. Youmans Gorham & Dickerman James Day Joseph L. Munn Redmond D. Donnell Tubular Transit Co	Hudson River, Englewood. Hudson River, Englewood. Hudson River, Harrington Township. Hudson River, Palisade Township. Hudson River, Hackensack Township. Hudson River, Palisades and Harring- ton Townships. Bellmans Creek, Ridgefield Township. Newark Bay, Newark. Kill von Kull, Bayonne. Arthur Kill or Staten Island Sound,
December 12, 1874 October 13, 1883 May 29, 1874 April 28, 1874 April 28, 1874 April 28, 1874 April 28, 1874 January 18, 1876 December 6, 1888 August 29, 1889 May 28, 1896	Gifford J. Maxwell Murrell Dobbins Charles Reeder Mary F. Riley Angelina Thompson Joseph L. Van Sant (3 leases) Catherine Barrett Charles Knapp David W. Steel John Denning	Delaware River, Florence. Delaware River, Bordentown. Delaware River, Bordentown. Delaware River, Bordentown. Delaware River, Bordentown. Rancocas River, Riverside. Rancocas River, Delanco. Rancocas River, Delanco.
January 18, 1876	Richard Lloyd Henry Oigg and wife Adele H. Ligier (2.leases)	Delaware River, Beverly. Rancocas River and Olive's Mill Creek, S. E. of Delanco. Navesink River, Oceanic.

April 2, 1881	Maria Stokem	Atlantic Ocean and Shrewsbury River,
November 29, 1889	Charles Sculthorn	Seabright.
April 30, 1806	Nicheles E W	er near Long Branch. Branchport Creek, Pleasure Bay. Atlantic Ocean, Barnegat Bay and
May 28, 1884	New Brunswick Land Company	Atlantic Ocean and Barnegat Bay, near
January 3, 1889	Westrays Point Land and Improvement	Lavalette City.
	Со	Barnegat Bay and Toms River, at
July 28, 1892 February 3, 1883	ompoon	Adantic Ocean and Hereford Inlet at
April 12, 1879 April 12, 1879 August 15, 1885	Jane G. Whildin	Atlantic Ocean, Cape May Point.
-rugust 15, 1005	John Gaynor	Salem Crook Salem

32

REPORT OF RIPARIAN COMMISSIONERS.

The following is a copy of the law under which this re-entry was accomplished:

Chapter 83, Laws of 1906, p. 124.

"A Further Supplement to an act entitled 'An Act to ascertain the rights of the State and of the riparian owners in the lands lying under the waters of the bay of New York and elsewhere in the State,' approved April eleventh, one thousand eight hundred and sixty-four.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

I. It shall be the duty of the State Treasurer on or before the first Tuesday in January, in each year, to make out a list of all riparian leases held by the State on which rentals are in arrears and unpaid for the space of one year, and to transmit the same to the Board of Riparian Commissioners, and in case any lease, the rentals of which are in arrears and unpaid, as aforesaid, shall contain a covenant or condition that upon nonpayment or failure to pay the yearly rent or sum reserved in said lease at the time or times fixed for the payment thereof it should be lawful for the State of New Jersey by its officers or agents, to re-enter, and to have, possess and enjoy, after such re-entry, the lands described in said lease, then the Riparian Commissioners, or any one of them, are hereby authorized and empowered to enter upon the lands described in said lease, and in the name and behalf of the State of New Jersey, to take possession thereof. Such re-entry shall be made by said Riparian Commissioners, or by one of them, by going on said land, and announcing in the presence of one or more witnesses, that all rights under said lease are forfeited to the State of New Jersey. Before such entry is made, however, the Board of Riparian Commissioners shall give notice, by publication at least once in each week, for six weeks, in one of the newspapers published in the county in which the land covered by said lease is located, or by serving a copy of said notice personally on the grantee, his heirs, executors, administrators, successors or assigns. The notice so to be published or served shall set forth the name of the person to whom said lease was granted, and, if known to the Riparian Commission, the name of the person or persons holding the same

REPORT OF RIPARIAN COMMISSIONERS.

by devise, grant, assignment or otherwise, and shall particularly state that if the rentals in arrears and unpaid be not paid on or before the expiration of said six weeks, all rights under said lease shall determine, become null, void, and of no effect and forfeited to the State of New Jersey. After such notice shall have been published or served as aforesaid, and entry shall have been made on the land described in said lease as herein directed, the said Board of Riparian Commissioners shall report to the State Treasurer the fact of such publication, service and entry on said land, and in case the notice shall have been published, shall annex to said report a copy of such publication, and in case the notice shall be served personally, an affidavit by the person serving the same, proving the truth thereof. Upon the receipt of said report, it shall be the duty of the State Treasurer to forthwith transmit to the Board of Riparian Commissioners the original lease of the land on which entry shall have been made, whereupon the Board of Riparian Commissioners shall have power, in the manner now prescribed by law, to again lease or grant the said land as fully to all intents and purposes as if the said lease had never been made; provided, however, that all right or rights of action, at law or in equity, which had accrued to the State of New Jersey, for the rentals in arrears and unpaid up to the expiration of the time fixed in said notice shall not abate, but the same shall remain of the same force and effect as if this act had not been passed.

2. The State Treasurer, upon returning to the Riparian Commissioners the lease of the land upon which entry had been made in the manner prescribed in the preceding section, shall be and hereby is released from all responsibility or obligation arising from said lease.

3. This act shall take effect immediately. Approved April 6, 1906."

Respectfully submitted,

JOHN C. PAYNE,

Secretary and Engineer.

Dated Jersey City, N. J., October 31st, 1907.

Financial Statement

Of Amounts Received and Paid by the Riparian Commissioners for Salaries of Employees and Office Expenses of the Commission for the Year Ending October 31, 1907.

	Dr.	
190б.		
November	To amount received from State Treasurer	\$458 15
December	To amount received from State Treasurer	438 84
1907.		400 04
January	To amount received from State Treasurer	461 61
February	To amount received from State Treasurer	559 39
March	To amount received from State Treasurer	496 79
April	To amount received from State Treasurer	492 52
May	To amount received from State Treasurer	590 67
June	To amount received from State Treasurer	467 69
July	To amount received from State Treasurer	564 26
August	To amount received from State Treasurer	457 13
September	To amount received from State Treasurer	562 31
October	To amount received from State Treasurer	478 02
		4,0 02

7.

\$6,027 38

1907.	
By amount paid for salary of Secretary and Engineer	\$3,500 00
By rent of offices for 1907	600 00
By maps, stationery and office expenses	1,837 38

Cr.

\$6,027 38

JOHN C. PAYNE,

Secretary.

(37)

APPENDIX.

DIRECTIONS FOR APPLICANTS TO THE RIPARIAN COMMISSION OF THE STATE OF NEW JERSEY FOR LANDS UNDER WATER.

Applicants for lands of the State under tide-water will observe the following directions:

First.--Furnish a description by metes and bounds of the lands owned by the applicant in front of which the lands applied for lie, accompanied by a map and survey of the same, made by a competent surveyor, showing the exact frontage of said lands on the shore at mean high-water mark, and the names of the owners of the adjacent lands.

Second.—State whether the lands under water applied for are now or are hereafter to be used for commercial or other purposes, and if so, what; whether they have been improved in whole or in part, or are authorized to be improved under any grant or license protected by the provisions of the supplement of the Riparian Act of March 31, 1869; also, if any oyster land, fishery or privilege therefor is embraced within the limits of the land under water applied for.

Third.—State whether a grant in fee-simple, or a lease in perpetuity, with privilege to convert the same into a fee, is desired.

(*Note.*—For a grant in fee-simple, the principal sum is required to be paid. For a lease, a rental at the rate of seven per cent. per annum on the principal sum is payable, semi-annually, in advance, to the State Treasurer.)

Fourth.—An abstract of title to the land owned by the applicant, prepared by a practitioner of the law of this State, or by the Clerk of the County in which the land is situated, must be furnished with the application before the same will be considered by the Commissioners. Blank forms for application, and all further information required, will be furnished by John C. Payne, Secretary of the Commission. Office, Commercial Trust Building, Jersey City, N. J.

(39)