

Untaxed Corporation Property in Jersey City.

S P E E C H

OF

Hon. Jacob Weart,

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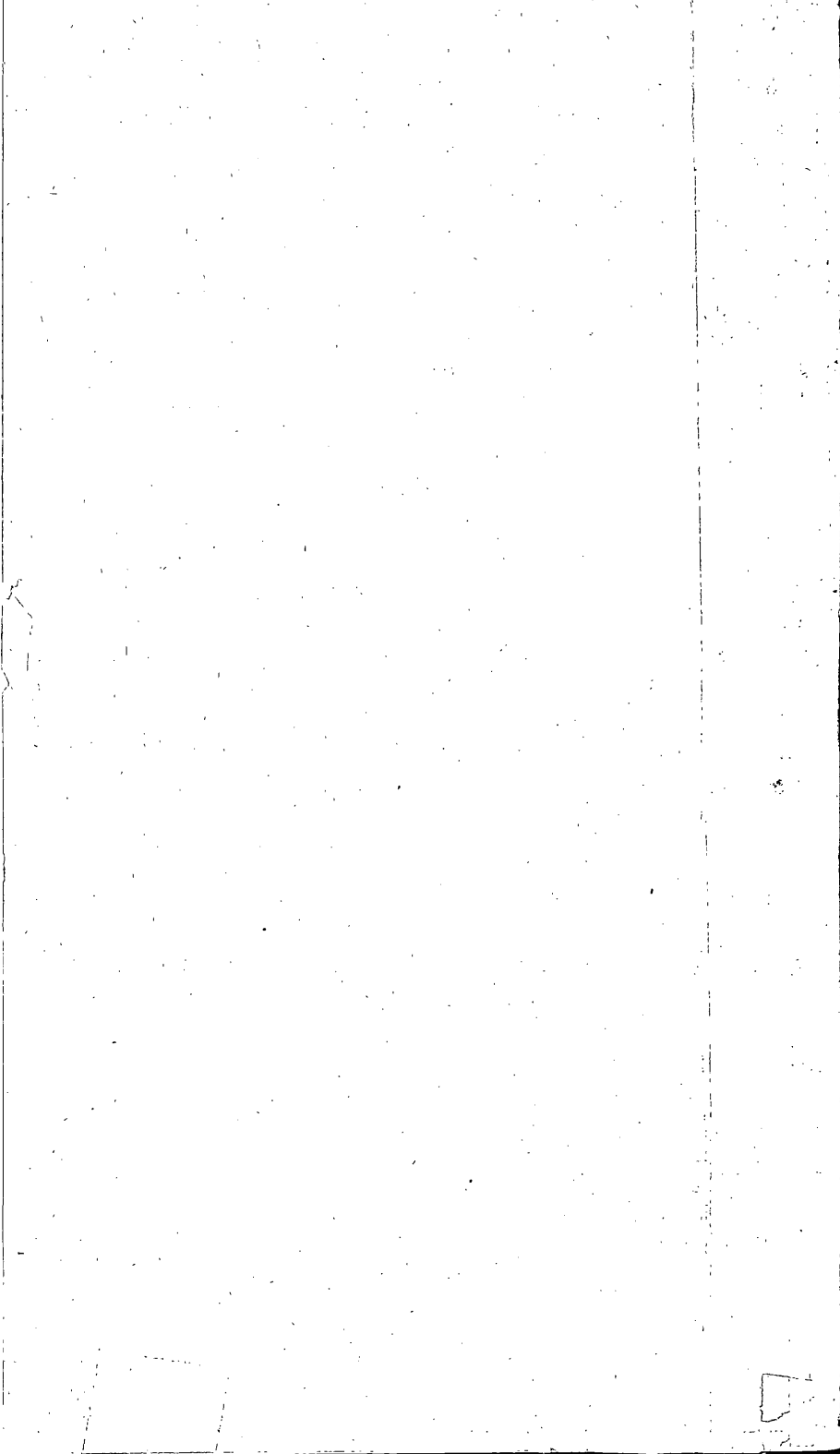
Meeting of the Citizens of Jersey City, held at the County Court House,
on Thursday Evening, January 30, 1873.

INJUSTICE IN TAXATION—EXEMPTION OF CORPORA-
TION PROPERTY—THE INJUSTICE OF
LEGISLATIVE ACTS EXPOSED.

Extempore Speech, Stenographed & Reported by JOHN A. NUGENT, Stenographer.

MAP AND STATEMENT, SHOWING THE PROPERTY UNTAXED.

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1873.



SPEECH

OF

HON. JACOB WEART.

Mr. President and my fellow-citizens :—

Although very much loaded down with cares, both public and private, still, when the committee called upon me on last Saturday afternoon, coming from this association, requesting that I should appear before you to night, the feeling was so near to my heart and so dear to me, taking into consideration the interest I have in this people, in this community, and in the welfare of this county, that I did not feel at liberty positively to decline the invitation, and I promised to be before you if circumstances would permit. I also stated to your committee that I should have but a limited opportunity to consider the great and important questions which were to be discussed. I have given a little time—such time as I could snatch from other duties and engagements—and such work as I have been enabled to give to this subject I shall happily and cheerfully present before you.

The object of this meeting is for the purpose of considering the question of the taxation of property belonging to corporations, owned and located in this county, which throws burthens upon the inhabitants which are unequal and unjust. Society and law are formed for the protection of individuals, their lives and their prop-

erty. This is the object of all law, and it is in the contemplation of law-makers to make all laws equal, uniform and just. When any law upon the statute-book becomes oppressive and unjust to a large community of people, then such law ceases practically to have the sanction and obligation which all laws should receive from willing, dutiful and obedient subjects. When that hour arrives, and when that oppression is put upon any body of people, they, under the constitution of this State, are permitted to assemble together to peaceably, soberly and deliberately consider their grievances, and petition the law-makers of the State for a redress of those grievances.

This meeting, then, to-night, is a peaceable meeting. It is a constitutional meeting; it is a meeting where we have come together for the purpose of consulting and advising together in relation to this particular and grievous burthen which has been cast upon the people of this county—the result of legislation enacted more than forty years ago.

Now, then, there should be a proper relation existing between the people of this State and the people of the County of Hudson. While the State calls upon the inhabitants of the County of Hudson to obey, and to be obedient to their laws, still we have a right to say to the men who are down in the Capitol, that you must frame laws to protect our rights—laws equal, just and honest; such as we, being faithful law-abiding citizens can properly be called upon to obey. There is a corresponding relation flowing out from the inhabitant and from the State. If the State enacts unjust and improper laws, we have a right to ask that they should be repealed—we, as citizens of Hudson County have to say that the State of New Jersey have enacted laws that are oppressive and grievous to be borne by this community, which should be modified or repealed for the protection of the taxpayers and people, inhabitants of this county. I very much

dislike to say unkind words in relation to our lawmakers—in relation to the people of this State, but when we take into consideration the whole course of the legislation of the State of New Jersey as regards the people of Hudson County—when we take into consideration that a great portion of the State taxes are drawn from the railroads of the State of New Jersey because their local property here is exempt from taxation—when we take into consideration that the State has taken our lands under water and have sold them, taking the proceeds from the people, to whom they naturally belong, and have put them into the school fund for the education of the children of the State, when they should have come into our city treasury for building our avenues, roads, parks, and building up and beautifying our city, it comes to my mind so forcibly that I can make no other illustration than this: “Hudson County is the *lamb* and the State is the *buzzard* that feeds upon it.” (Applause.) It may be a harsh thing to say, but as a citizen, owing allegiance to the State of New Jersey, I must speak my sentiments to the people of that State, and they may heed them or not—as they see proper. Therefore I hope that in the future more regard will be paid to the feelings and rights of the people of the County of Hudson than has been paid to them in the past.

Now, the railroads are here and they have their rights—they have their duties, and they have their privileges, while at the same time the citizens have their rights, duties and privileges, and there ought not to be any conflict between the people of the County of Hudson and the railroad companies. The railroad companies should not wage war against these people from whom they are to receive so much, neither ought we to wage war against the railroad companies any further nor to any greater extent than to secure our just and equal rights. That is all we ought to ask. All we want is equal justice and fairness, and that should be granted. No railroad com-

pany, sending their trains down here into the corner limits of Hudson County, should attempt to withhold from the county anything that is just and right; because I can tell these railroad companies if they withheld much longer from the people of this county their just rights, their trains will stop on the west side of the Hackensack. (Applause.) I will say to the people of New Jersey that if they trample upon the rights of Hudson County much longer they will fetch their railroad trains into the county of Hudson under the protection of State regiments. (Great applause.)

If the people of the State of New Jersey desire to draw their taxes from the County of Hudson, I think the people of the county will give them a little taste of the support of the State Militia in a few drafts on the treasury to pay for the regiments they will have to plant upon this soil, before a very long period of time unless some substantial justice is meted out unto this people. I don't say these things in harshness, but I say them because so many honest, upright men have told me that this will come to pass, and they will be the moving spirits when that hour arrives. Things are moving along slowly, but that time is coming steadily. The tide is rolling. Railroad companies, particularly the Erie Company, have set the whirlwind in motion, and it is an old adage that it is much easier to start the whirlwind than to control the storm after it is in motion—much easier.

Last winter, after the meeting of the Legislature, we had a little talk, but everybody folded their arms and said, "We can accomplish nothing—it is useless to do anything in the Legislature." A few months have passed away, and we find in this court-house a body of men assembled for the purpose of taking this measure into consideration. We find them stepping along, inviting citizens to come and address them. Another meeting is to be held to-morrow night in the Fourth District. Gen-

tlernen, I say to you, these meetings are the beginning of the end—that no body of people consisting of one hundred thousand in numbers can long be deprived of their natural rights and justice, if they are men, and see fit, and have the courage to enforce them.

Let us look at these considerations and see what these railroads require of us. In the first place they require us to pick up every man they may wound, maim or injure; they require the taxpayers of Hudson County to maintain such persons in their hospitals, and if they are poor persons they require the county to bury them. If any property of the railroad company is stolen, they come here into this court-house, and here, at this seat of justice, they demand that their rights shall be protected by the courts and jurors of this county, and the people have to pay the expense. The railroad companies do not pay a single cent of that expense to the county. They demand that we shall light up their avenues and streets leading to their ferries and depots, so that their patrons may find their way to their railroad trains, in order that they may take them out and gather up their passage money. They demand that we shall establish and support a police department for the security of their property, for which they do not pay a single cent; they demand that we shall maintain a fire department to protect their property against fire, for which they don't pay a single cent; they demand that we shall keep the streets and avenues in proper repair and condition for the transfer of all their great traffic, which passes over them for the benefit of the railroad companies themselves; we must keep the streets in repair, and they do not pay a single cent.

Now those are some of the things which the railroad companies ask of us. What do we get in return? Gentlemen, they pay one-half of one per cent. upon the cost of their works, or upon their capital stock, into the State treasury, and all the rest of their property is exempt.

I have portrayed before you some of the things these railroad companies ask, and some of the things which we do and perform, and it is your place as citizens to say what these companies shall do in return for the great privileges which they have secured from us. Now, the question has come up and been extensively discussed as to whether or not there are irrevocable contracts between the State and the companies, whereby we can get no control or jurisdiction over this matter of taxation, so that we can properly enforce our rights, and get redress. I have taken up all the early acts, and have traced down this legislation, and it is surprising to see with what small beginnings this principle of exemption was started upon. For instance, the New Jersey Railroad Company was chartered March 7th, 1832; they were incorporated with a capital stock of \$750,000, and authorized to increase it to \$1,500,000, and were authorized to construct a railroad from New Brunswick to the Hudson River, opposite to New York. The company was only authorized to hold three acres of land at the commencement and termination of the road. Only three acres of land; that was all they were permitted to hold by the act of incorporation. Now, what was this contract? Why, for the first five years they were to pay no taxes at all. After the expiration of five years from the completion of said railroad the company should pay into the State treasury, yearly, one-quarter of one per cent. upon the true amount of the capital stock paid in, and after the expiration of ten years one-half of one per cent. upon the true amount of the capital stock of said company, and that no other or further tax or imposition shall be levied or imposed upon the said company—provided if it connected with any railroad between New York and Pennsylvania, the company was to pay into the State treasury eight cents for every passenger and twelve cents for every ton of goods transported. So stood this law, with the extension that they got, until 1846; and you will see that this original charter did contain this contract.

This contract is the compact with the State which has been talked about, and upon which gentlemen have based their ideas in relation to this irrevocable contract. We find in 1846 they had made a connection with the Camden & Amboy Railroad Company, to carry passengers between Jersey City and Philadelphia. They then wanted to get relieved from paying eight cents a passenger for their passengers; they were, I think, by that contract, receiving seventy-five cents a head for every passenger transported over the road. They wanted to reduce the transit duty which they should pay to the State, and they come in and say, "Now we are willing to pay you eight cents on the dollar," which brought down their transit dues on passengers just one-quarter. They got a supplement to their act, passed February 18, 1846, by which the company was to pay the sum of \$4,000 per annum, being the tax of one-quarter of one per cent. upon capital stock until January 1st, 1849, when the tax of one-half of one per cent. should commence. According to the original act, when the road had been in operation for ten years the tax to the State was to be one-half of one per cent., but by this supplement they got the time extended to 1849, at one quarter of one per cent., and the transit duty of eight cents a passenger was repealed, and, instead, they were to pay eight cents on each dollar received for through passengers.

I must say, to the honor and glory of the Legislature of 1846, that they assembled for the purpose of breaking up these irrevocable contracts with the State of New Jersey, and they swept the idea out of existence. That was the spirit of that Legislature.

This company, for the purpose of getting this extension to 1849—for the purpose of getting relieved of one-quarter of one per cent., for the next four years, upon their capital stock, and for the purpose of getting their transit duties on passengers cut down one quarter—they

gave up this irrevocable contract with the State by a provision introduced in their charter, which says, "Be it enacted, that the Legislature may alter, modify or repeal this act, whenever, in their opinion, the public good requires it," and all irrevocable contracts, so far as the New Jersey Railroad Company is concerned, are gone by that supplement. That is the language—"that the Legislature may alter, modify or repeal this act, whenever, in their opinion, the public good requires it." It is gone, gentlemen.

This act was accepted by the company April 29, 1846, and became a part of their charter, and we can now go down to the Legislature and get such legislation in relation in that matter as the Legislature, in their wisdom, may see fit to give us, and the courts will protect us in our rights under it.

By the act of 1864, the time when the State can take said roads is extended to 1889. By the third section of this act, "it shall be lawful for the State, by general law, affecting in like manner all railroads in this State, except those now having irrevocable contracts of exemption in their charters, to impose on said company, for State purposes, such other additional taxes as the Legislature may, by law, direct, but such amount not to exceed the amount paid in by other roads."

You see that by this supplement they come in and get an extension of their charter, and they, in that act, acknowledge the right of the State to tax them as they see fit to.

Now, by the general act of incorporation, which was put upon the statute book February, 14, 1846, and the act took effect immediately, it was enacted "That the charter of every incorporation which shall hereafter be granted by the Legislature, shall be subject to alteration,

suspension and repeal, in the discretion of the Legislature." That was the legislation of 1846. They had decided upon this question that they were going to have no more irrevocable contracts issued by the State of New Jersey. They put that in plain language upon their statute book. Two days afterwards they passed the supplement which took away the contract of the New Jersey Railroad and Transportation Company which they had got under their original charter. You see this Legislature intended to do it. That brings us down to the general legislation which was approved on the fourth day of March, 1869. That act throws the whole thing open. By the first section, all transit duties, whether on passengers or freight, are abolished. The second section provides "That all companies heretofore paying transit duties to the State shall hereafter pay, each year, in quarterly payments, as heretofore, to the treasurer of this State, a tax of one half of one per centum upon the costs of their respective works, including all their property of every description not otherwise taxed, until the Legislature shall, by general law, impose a uniform State tax equally applicable to all railroad and canal corporations of this State, and said companies shall then pay such uniform tax; and until such general law be passed, no company heretofore paying transit duties, as aforesaid, shall, in any year hereafter, pay a less sum as tax to the State than that paid by it for taxes and duties of all kinds for the year eighteen hundred and sixty-eight, and said amounts shall be paid by them in equal quarterly payments, and no other tax or impost shall be levied or assessed upon said companies."

That is the last act upon the subject. That embraces all the canal and railroad companies paying transit duties. They are exempt until we pass a general law which shall reach all railroads. When we pass such a law, then, of course, they are bound by it. They accepted this as part of their charters. I take the further position that we

can legislate upon this matter as we please by the provisions of the general corporation act of 1846, which made all these railroad charters amendable at the will of the Legislature, because the New Jersey Railroad accepted the act passed the 16th of February, 1846, which took away their special contracts and privileges and brought the whole act and all former legislation upon the subject of taxation under and subject to the provisions of this act, so that the Legislature may now deal with them as they please.

We will now take up the Erie Railway, and see how their legislation stands. Their legislation in the first place, grows out of the Paterson & Hudson River Railroad Company, incorporated January 21st, 1831; capital stock \$250,000, with the right to increase the same to \$500,000; authorized to construct a railroad from Paterson to some point opposite New York; not to exceed sixty-six feet wide; not to hold land to exceed two acres at each place, and not nearer than fifty feet to high-water mark. Some people had ferries there, and they didn't mean to have them interfered with.

The provisions of the act were, that the State might take the road after fifty years, and there was this provision, "After the expiration of five years from the passage of the Act, the Company to pay a tax of one-quarter of one per cent., when the capital stock is paid in, and yearly, after the expiration of ten years, a tax of one-half of one per cent. upon the capital stock paid in, and that no further or other tax or impost shall be levied or assessed upon said Company."

This was another contract covering not more than \$500,000 in money, a road-bed and two acres of land. That is the extent of it. In 1835, the time of purchase by the State was extended for fifty years from the fourth day of July, 1836; by an act of 1837, the capital was in-

creased \$200,000, and the one-quarter per cent. tax to be paid to the State, was repealed; in 1842, a resolution was passed, limiting the State tax to the original sum of \$250,000, until the Company shall divide six per cent. per annum, upon their stock.

In 1853, the lease of the Paterson & Hudson River Railroad to the Erie Railroad was legalized. In 1856, they were allowed to exchange lands for depots, but not to increase the amount; In 1856, an act was passed incorporating the Long Dock Company, with the right to build a branch railroad and establish a ferry; the act was for thirty years, and the Legislature might at any time alter, modify or repeal the act, as the public good might require.

There does not seem to have been any provision in that act for taxation, but they seem to have been willing to leave the whole thing open to the people. It is proper to say, that when that Company was first organized, it was not organized with any idea of a connection with the Erie Railroad Company, they were separate and distinct corporations.

An act was passed February 21, 1856, authorizing the New York and Erie Railroad to purchase lands and extend the Paterson and Hudson River Railroad to the Hudson River, and to purchase such lands as they might require for their business, provided that two acres of land at any such depot or station, and no more, shall be exempt from city, township, and county tax.

That is the first provision that I find in any of the charters which imposed a tax upon lands exceeding in amount two acres at the terminus of the road. The State might take the road in 1886. "The company should pay to the treasurer of this State, yearly, a tax of one half of one per cent upon the amount of the cost of

the road and improvements embraced in the two acres in lieu of all other taxes on the same, except assessments for improvements."

Thus, by that charter, the land was made liable to assessments for improvements; the railroad depots and such other buildings as they could put upon the two acres were exempt from city, county and township taxes and the balance of their property was taxable.

An agreement was made August 15, 1857, between the Erie Railway and the Long Dock Company for the use of their property.

On the 17th day of March, 1870, an act was passed, entitled "An act relating to taxes to be paid by the Erie Railway Company for certain property owned, leased, used or occupied by it in this State."

Valuation was to be made of all lands east of the westerly side of Bergen Hill and filed in the office of the Secretary of State, and the company to pay one half of one per cent. on the same to the State, and the company not to be subject to any other tax or imposition whatever.

Now, that, you will observe, does not pretend to be a supplement to their charter. I understand that their counsel takes the position that this contract is an irrepealable contract, because it is not a supplement to their charter, and therefore it does not come under the provisions of the Corporation Act of 1846. My point about that, is this, that it virtually is a supplement to their charter, because they have no existence here as a railroad company, except under their chartered privileges and franchises, which they get under their act; and any law which they get affecting their interest and franchises, is virtually, a supplement to their charter, and if so, it is under the act of 1846, and therefore, repealable. If it

is not a supplement, it is no contract—because the State cannot enter into any contract, except with the corporate body. Take either horn of the dilemma, the act is repealable.

The iniquity of this legislation creeps out a little further on. We had assessed a tax, under the law, as it then stood, against the Erie, and they failed to pay their taxes, and they went down and had this provision put into the second section of their act, which provides “that the payment of said tax, shall be in lieu and satisfaction of all other taxation and imposition whatsoever, heretofore or hereafter, made or to be made.”

Therefore, they intended to sweep out by this act, the taxes which had been levied by Jersey City against them in 1869, and which were unpaid, amounting to \$32,266.00, which they owed the city at that time. In 1870, they filed their cost of their lands and improvements, east of the west side of Bergen Hill, and the Corporation Counsel here, conceived they had not conformed with the provisions of this act, and therefore we had a right to assess them in 1870, and we did assess a tax on them, and the tax laid upon their property was \$49,599.00; so we have an out-standing tax assessed against the Erie Railway Company, of \$81,865.00, with interest and penalties to be added.

The taxpayers of Hudson County have been obliged to pay into the State treasury the school tax and the State tax upon the assessed values upon which those taxes were levied, and if we fail to make a collection from the Erie Railway Company, that money is lost. That is the way the Erie have treated us. I hold that, like the New Jersey Railroad Company, their property is subject to such taxation as the Legislature will grant us in relation to all their corporate property. [Applause.]

Now comes the Central, which grows out of the origi-

nal act to incorporate the Elizabethtown & Somerville Railroad Company, which was passed February 9, 1831. The company was authorized to hold real estate at the termination and commencement of the road, not to exceed two acres at each place. The capital stock was \$200,000, with a right to increase to \$400,000; statement of cost of road to be filed, and as soon as the company paid seven per cent. they should pay a tax to the State of one-half of one per cent. on the cost of the road; provided that no other tax or imposition shall be levied or assessed upon the said company.

The Legislature in 1831 granted nearly all of these charters, and in them all they put these irrevocable contracts. Why was it put in? Railroads were then in their infancy, and nobody knew whether they would pay or not, and nobody imagined that they would extend to their present proportions. They were to spend from \$200,000 to \$750,000, and they were to have the road bed and two acres of land at each end of the line free from taxation. If that was the law at the present time, it would not harm anybody so far as holding real estate is concerned.

When you look back and condemn the Legislature of that day, you must look at the small and insignificant subjects with which they were dealing. No man could imagine that railroads were going to extend, with ramifications, from the Atlantic to the Pacific, and cover hundreds of acres of land on the shores of the Hudson River. No man in 1831 could foresee that, sitting in that Legislature down at Trenton.

The act says: "after fifty years from the completion of the road the State can take it at appraisement."

An act to incorporate the Somerville & Easton Railroad Company was passed February 26th, 1847. You

will see that is one year after the corporation act, which I spoke to you about, passed in 1846; same provisions as above—as to tax, except the tax should commence when the company earns and divides six per cent. By an act of 1849, the Somerville & Easton Road was authorized to purchase the Elizabethtown Road, and the new road was called “The Central Railroad Company of New Jersey.” They were authorized to purchase twenty acres at the end of the road for depots, car-houses, etc., provided that the aforesaid lands and improvements shall be subject to the same assessments and payment of township and county taxes as other real estate is, and shall by law be subject to. That was a most remarkable provision for a railroad company to put in their charter, as compared with the charters of other companies. Here is a railroad company who actually came in and had the gracious feeling, and the large heart, and great magnanimity, to say: “We will submit this twenty acres of land, and improvements, to taxation.” They were asking, then, for large rights; they wanted to fetch in the Elizabethtown & Somerville Railroad Company. They were after something. You will find all the generosity oozed out of these people in a short time, because, “By a supplement of 1854, an annual statement should be made, of the cost of the road, and one half of one per cent. paid to the State each year; provided, that no other tax or impost shall be levied or assessed upon the said company.” Their generosity left them; in about three years they swept it away. In 1860 the company was authorized to extend the road to Jersey City, by supplement to Somerville & Easton Road, passed in 1847.

I will say here that all the subsequent legislation of the Central Railroad Company is either independent legislation or supplements under the Somerville & Easton charter, which was passed in 1847, one year after we put the provision upon our statute book that we could regulate all these charters as we please. So that all the Cen-

tral legislation is under the general act of 1846, and we have no difficulty with that road upon this subject. The only other act I find in relation to that subject, is an act consolidating the Newark & New York Railroad Company with the Central, passed March 17th, 1870. That seems to have a good provision, in favor of the people, in relation to taxation. "The company is to pay one-half of one per cent. upon the cost of the road, and such other taxes as may be assessed from time to time by a general law, applicable to all railroads over which the Legislature shall have power for that purpose at the time of the passage of such law." So they came in under that contract, and submitted themselves to such general laws as we might put upon the statute book. So far as the Newark Road is concerned, there is an impression that they pay municipal taxes in Jersey City. They do pay a small amount, but when the Central Railroad Company made their purchases for the purpose of getting water rights, they got more land down the bay than they required or needed for railway purposes. They have quite a large tract of land, and when they pay taxes they do not pay taxes upon the large amount of property they are using for their railroad, but taxes upon property which they have bought up for speculation. There has been no attempt made on the part of the Central Railroad Company to exempt any of their property which they have purchased, and do not use for railroad purposes.

Now, we come down to the remedies. What is the remedy? Some say we will take away their water from them. We might cripple them to a vast extent, by taking away from them the water, but then we will take away a large sum of money, which they pay by meter measure, for water rents, and the water is the only thing they pay for, and we are not prepared to lose that tax as citizens. Some gentlemen say we will take away from them the Fire Department. We cannot stand by and see

their buildings on fire, and let the fire get under such progress as to sweep away the city. Self protection requires that we should put out their fires, before they get so powerful as to be beyond control. Some people say, we will take away the Police. That we might do; let them quell their own brawls, troubles and disturbances. But that is troublesome, as they are in our midst, and if we let them grow riotous, it will spread over the city, and our order will be gone. So, turn any way you please, you cannot meet the question until you make them do their duty, and pay their share of taxes, which they ought to pay.

Now, how is it to be done? I have thought over the subject, and have a suggestion to make—but, before I pass to that point, I want to state here, that Mr. Laverty, the Assessor, has been so kind as to furnish me with a list—prepared by himself and Assessor Robinson—of property exempt from taxation, at the present time. Mr. Laverty desired me to say at the meeting, that it is much larger now, than it was at the time the assessment was made, because large blocks of property have been purchased since the assessment was made. The valuations are the present real values: First District, 12 blocks, valued at \$1,615,000; Second District, 113 blocks, valued at \$17,356,000; Third District, 3 blocks, valued at \$500,000; Fourth District, 6 blocks, valued at \$600,000; Fifth District, 7 blocks, valued at \$500,000; making a total value of \$20,571,000, and one hundred and forty-one blocks. The Erie Railway Company, for commercial purposes, have a large dock at Weehawken, for the transportation of petroleum to Europe, which is assessed at about one million dollars, exempt from taxation, and other property, all in that vicinity; and what amount of property in Hoboken is exempt from taxation, I am not prepared to state.

The above list does not embrace any property in the

First District of Jersey City, where the Central Railroad is located, as I was unable to see the Assessor about it, and am, therefore, unable to lay before the meeting, any correct statement of their property and exemptions.

In relation to taxes assessed by Jersey City, and remaining unpaid, the Delaware & Raritan Canal Co., the Camden & Amboy Railroad Co. and the New Jersey Railroad & Transportation Co. are assessed, jointly, for \$9,236.70, which remains unpaid; but, I find, there is returned against the New Jersey Railroad and Transportation Company, unpaid taxes assessed in the years 1867-'68-'69 and '70, amounting to \$42,818.89. They always paid on their ferry-boats up to 1870, and then they took a *certiorari*, from the Supreme Court, and that tax was set aside. Some years ago they built a large round-house, for storing, cleaning, and firing up their engines in. That was taxed, and they took that assessment of tax up, and it was set aside. So they have kept on, taking up tax after tax, until our people have got tired of putting any further taxes upon them, whereby we are obliged to pay, on the assessment, the amount due to the State, and the City lose it. Against the Morris Canal Company there stands open, as due the City, various taxes, amounting to \$41,996.06. I have not looked up the charters in relation to the Morris & Essex Railroad, but all the legislation which permitted them to come down to the Hudson River, was passed since 1846, and it must be all under our control, by the corporation act of 1846.

I have not had any time to look over the subject of taxation, so far as it relates to the canals.

I hope I have been able to satisfy the gentlemen present, that we have control of this subject matter, and we can deal with it,—and we must deal with it. The question is, how to deal with it? I have set my wits to work,

since I came from Trenton, last night, to see how it can be dealt with. There was a sub-committee of the Committee of Twenty-Eight, of which sub-committee Mr. Isaac B. Culver was chairman. He proposed that all railroad laws, in relation to taxation, should be repealed. He proposed that the taxes, now paid to the State, should be divided among the several cities and townships through which the roads passed,—paid in there, and their proportion paid to the State. But, he proposed that the tax should be only one half of one per cent. Then, he proposed that that should embrace all the property used for railroad purposes in this city.

I thought the thing looked pretty feasible, but, when I came to turn it in my mind, at the next meeting I asked Mr. Culver whether he meant that property which was to be used for railroad purposes should mean only the road-bed and passenger depots, or all the property used for their various purposes. He said, "It was to embrace all the property except that which was not used for railroad purposes."

Then, I say, we get no practical relief from that legislation, because we want to put the municipal taxes upon the large tracts of property which they use here for railroad purposes, and this talk about one-half of one per cent. in 1873 is absurd. Why, this one-half of one per cent. was fixed forty years ago, when one dollar then would go as far as three now, and a railway paying one-half of one per cent. then, should now pay one and a half per cent. as a fair equivalent, owing to the increased expense of carrying on all governments and municipalities. In 1845 you paid your Governor \$1,800 a year, where you now pay him \$5,000. Some other officers you paid \$1,500 a year, where you now pay \$4,000. Your Judges of the Supreme Court at that time received \$1,400 a year; you now pay \$5,000. Therefore, a fair equivalent paid at this time, if the payments were made

upon a percentage, should be such an equivalent as is demanded by the times.

Therefore, I say, let our constitutional convention come. Let all this subject of putting out these contracts to bind future generations be swept away. Taxation is a legal natural right, which rests in the people, and should be exercised according to the wants and necessities of the times. It is something we must have under our absolute control so as to regulate it from year to year as public necessities shall demand and require. Any other principle of taxation or any other mode whereby contracts are to be put out which are to run through all time, and bind future generations is absurd and preposterous. It is against the enlightened views and principles of this enlightened age. What is the result of this thing? What do we see? We see this little rivulet which started out in 1831 and 1832—incorporations created here with capitals of \$250,000 to \$750,000, and limited to own two and three acres of land here in Jersey City. We find their ramifications extending to the Pacific, Chicago and New Orleans, gathering up the products of the western world and putting them down on the shores of the Hudson Bay for transportation to Europe. Instead of requiring two acres, and a little local road, they require water frontage by the mile and acres by the score. It is our right and our duty to go to these gentlemen and say, we protected and fostered you in your infancy, and now, that you are strong and rich and opulent, you must do the fair and right and just thing towards the people who have been your patrons and protectors.

Up to this very hour, while this great work has been growing and increasing year after year, Jersey City has remained quiet; her people have substantially acquiesced, until the burthen has now come to be too grievous to be borne, and we are here for the purpose of throwing off

the yoke. I have suggested to you the mode proposed by the sub-committee of twenty-eight, but I do not think, after carefully examining it, that it meets the exigencies of the times. I think I have hit upon a plan which may probably adjust the whole thing, without any general disturbance of the State laws upon the subject. I have not been able to give the matter the mature consideration I desire, and these suggestions which I give to you are submitted for your consideration. You want the thoughts of many minds upon so important a subject, but it strikes me that this law that I have drawn will meet the wishes of the people of the city, and of such railroad companies as are willing to do the just and fair thing by the people, and pay such fair taxes as they ought to pay. This is the act I have drawn.

[For a copy of the Act see Appendix A.]

Now, do you understand it? The plan is, for instance, to let the New Jersey Railroad Company go from one end of the State to the other; let it take its road bed, and its passenger depots, and its freight depots directly located upon the main stem of the road, and let them be exempt from taxation for municipal purposes; but every other foot of territory which they own in the incorporated cities and towns shall be taxed the same as other property is taxed. (Loud applause.)

For the purpose of more clearly illustrating this subject, we will say that a company has returned the entire cost of their works at \$10,000,000. A tax of one-half of one per cent. on that amount would be \$50,000. That the assessors along the line of the road has assessed on their property \$2,000,000 for county and city purposes, that would be deducted from the \$10,000,000 of cost of works; and the company would pay to the State \$40,000 on the \$8,000,000; and the other two millions would be taxed as follows: One mill for State tax, two

mills for State school tax, and the balance for county and city purposes, and if all these added together made two per cent., the company would pay to the city, on the \$2,000,000, forty thousand dollars, and instead of paying to the State \$50,000, as now, the State would get \$40,000, and the city, for State, State school, county and municipal purposes, would get \$40,000, which would be an increase to be paid for a company whose works cost \$10,000,000, of \$30,000. Is not this fair, right and just?

I desire to state that the State school tax of two mills is levied all over the State, upon all the taxable property, according to valuation, and then distributed among the different counties, according to the number of children to be educated.

Owing to the large amount of railroad property now exempt from taxation, the tax on Jersey City is three per cent., two mills and eight-tenths of a mill on a dollar, making \$32.80 on a thousand, at which rate \$10,000,000 would have to pay \$328,000.

I hope that you understand the matter as now explained. I will leave it with you for your consideration. (Applause.)

APPENDIX A.

COPY OF ACT.

An Act relative to Taxes to be paid by Railroad Companies, for the Support of County and Municipal Governments, and the Protection of their Property in incorporated Cities and Towns of this State.

1. *Be it enacted by the Senate and General Assembly of the State of New Jersey*, That hereafter all Railroad Companies heretofore or hereafter chartered, shall bear their full share of county expenses of the cost of lighting streets, supporting a police department, supporting a fire department, and such other necessary objects affording facilities for the transaction of their business, and the protection of their property in every incorporated city or town of this State.

2. *And be it enacted*, That every Railroad Company running through or terminating in any incorporated city or town of this State, shall be assessed for State, County and Municipal Taxes on all their property located in said cities or towns; *provided*, that there shall be exempted their main stem or road-bed, and track of one hundred feet in width, their passenger and freight depots situated on the main stem of the road, and water tanks situated on such main stem; *provided, also*, that this exemption of depots shall extend to only one passenger and freight depot in any incorporated city or town, and those shall be their principal passenger and freight depots.

3. *And be it enacted*, That it shall be the duty of the assessors of every district, or any ward in any incorporated city or town of this State, to return annually to the State Comptroller, in the month of September, the total value of all real estate and buildings assessed by him for State, County and Municipal purposes, against any railroad property located in his assessment district.

4. *And be it enacted*, That all railroad companies shall be exempted from payment to the State of any per cent- age now required by law to be paid upon their capital stock or the cost of their respective works, upon such amount as the various assessors shall have returned against them, as assessed on their property in the various incorporated cities and towns, under the second section of this act; *provided*, that said exemption from State tax shall only refer to the amount so assessed for State, County and Municipal purposes, and shall not in any wise relieve them from any other tax or duty now required by law to be paid directly to the State, and the State Comptroller shall deduct from the cost of their respective works as returned by law, the amount assessed in the various incorporated cities and towns of this State, on which the State, County and Municipal taxes are required to be paid in said cities or towns before the percentage of State tax is levied upon the cost of their said respective works.

5. *And be it enacted*, That this act shall apply to all consolidated or united railroad companies and to the lessees of all railroad companies.

6. *And be it enacted*, That the lands of all railroad companies, fronting on any street laid out in any incorporated city or town of this State, shall pay its full share for all street improvements, and be assessed for all sewers draining railroad property according to the area drained.

7. *And be it enacted*, That all acts and parts of acts, and all railroad charters inconsistent with this act, be and the same are hereby repealed; and that this act shall apply to all railroad charters creating companies now existing in this State or their lessees, and that this act shall take effect immediately.

[From the Evening Journal of December 24th, 1872.]

The Untaxed Corporations—The Property that Pays no Taxes—Where, What, and Whose it is—Who Pays and Who Does Not.

The complaint of the tax paying people of Jersey City, that they have been and are robbed by the Legislature for the benefit of favored railroad corporations, robbed in defiance of justice, robbed as no tax paying people of any city were ever robbed before, is well founded. We present to-day the proof of this accusation. In the map of the city, published herewith, we show—in the darkened blocks and lots—more than *sixteen millions dollars* of real estate valuation; owned and controlled by railway corporations, which pays no taxes to Jersey City. This single fact, without any explanation, is enough to show how enormous is the wrong done to the city. There are about one hundred and twenty blocks, many of them the most valuable in the city, included in this property, thus exempted from all municipal taxation. We give herewith the specifications, showing each block and lot and its present ownership :

MORRIS CANAL AND B. COMPANY.

	<i>Valuation.</i>
First district, block 2, 26 lots.....	\$160,000
First district, block 2, South Basin Pier, &c	600,000
First district, block 64, South Basin Pier, &c.....	10,000
First district, block 33, lots 9 to 12, Hudson st.....	20,000
First district, block 33, bulkhead.....	22,000
First district, block 130, lots 87 to 103, Essex st.....	20,000
First district, block 131, gore and lots 100 to 104	11,000
First district, block 131, lots 95 to 103, Morris st	20,000
First district, block 164, lots A, B, C, and D.....	13,000
Total.....	\$876,000

NEW JERSEY R. R. & T. CO.

First district, block 39, Hudson street, lots 56 to 64.....	\$38,000
First district, block 39, Mercer street, lots 1 to 13 and 13 to 23	96,000
First district, block 39, Montgomery street, lots 2 to 12, 14 to 24.....	107,000
First district, block 40, Hudson street, lots 65 to 72.....	40,000
First district, block 40, Wayne street, lots 14 to 24 and 2 to 12.....	60,000
First district, block 40, Mercer street, lots 1 to 12 and 13 to 23	60,000
First district, block 72, Plymouth street, lots 26 to 48.....	72,000

First district, block 72, Washington street, lots 89 to 103.....	48,000
First district, block 72, Greene street, plots 25 to 27.....	8,000
First district, block 104, Washington street, lots 90 to 104.....	48,000
First district, block 104, Wayne street, lots 49 to 63.....	48,000
First district, block 104, Warren street, plots 65 to 71.....	24,000
First district, block 104, Warren street, lots 66 to 72.....	24,000
First district, block 104, Plymouth street, lots 50 to 64.....	48,000
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Eleven blocks.....	\$739,000
Second district, block 16, Hudson street, lots 1 to 26.....	110,000
Second district, block 41, Hudson street, lots 1 to 32.....	128,000
Second district, block 46, Hudson street, lots 1 to 32.....	192,000
Second district, block 47, Hudson street, lots 1 to 32.....	192,000
Second district, block 48, Hudson street, lots 1 to 32.....	192,000
Second district, block 49, Hudson street, lots 1 to 32.....	192,000
Second district, block 50, River street, lots 1 to 32.....	192,000
Second district, block 78, River street, lots 1 to 32.....	192,000
Second district, block 79, River street, lots 1 to 32.....	192,000
Second district, block 80, River street, lots 1 to 32.....	192,000
Second district, block 81, River street, lots 1 to 32.....	192,000
Second district, block 82, River street, lots 1 to 32.....	192,000
Second district, block 105, Washington street, lots 106, 108 and 110.....	24,000
Second district, block 105, Wayne street, lots 50 to 72.....	72,000
Second district, block 105, Steuben street, lots 59 to 67.....	30,000
Second district, block 110, North street, lots 1 to 32.....	192,000
Second district, block 111, North street, lots 1 to 32.....	192,000
Second district, block 112, North street, lots 1 to 32.....	192,000
Second district, block 113, North street, lots 1 to 32.....	192,000
Second district, block 114, North street, lots 1 to 32.....	192,000
Second district, block 143, Meadow street, lots 1 to 32.....	128,000
Second district, block 144, Meadow street, lots 1 to 32.....	128,000
Second district, block 145, Meadow street, lots 1 to 32.....	128,000
Second district, block 146, Meadow street, lots 1 to 32.....	128,000
Second district, block 147, Meadow street, lots 1 to 32.....	56,000
Second district, block 174, Provost street, lots 1 to 32.....	192,000
Second district, block 175, Provost street, lots 1 to 21, and 25 to 32.....	174,000
Second district, blocks 176 and 177, Provost st., lots 1 to 16, 9 to 16, and 25 to 32.....	192,000
Second district, block 415, Brunswick street, lots 1 to 4.....	24,000
Second district, block 415, Sixth street, lots 21 to 32.....	72,000
Second district, block 505, Grove street.....	48,000
Third district, parts of blocks 212, 247, 280, 317, 354, 389—89 lots, with improvements.....	700,000
Fourth district, block 602, 1 plot.....	80,000
Fourth district, block 652, 1 plot.....	20,000
Purchased lately in Second, Third, Fifth and Sixth districts, about.....	700,000
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Total.....	\$6,693,600

LONG DOCK AND ERIE RAILWAY.

Second district, block 20, wharf and pier, First street.....	200,000
Second district, block 21, wharf and pier, Eighth street.....	140,000
Second district, block 22, ferry-house, &c.....	200,000
Second district, block 23, Hudson street, freight and pier.....	150,000
Second district, block 24, Hudson street, freight pier and dock.....	280,000
Second district, block 25, Hudson street, coal and freight dock.....	200,000
Second district, block 51, Hudson street, lots 1 to 32.....	192,000

Second district, block 52, Hudson street, lots 1 to 32	192,000
Second district, block 53, Hudson street, lots 1 to 32	192,000
Second district, block 54, Hudson street, lots 1 to 32	160,000
Second district, block 55, Hudson street, lots 1 to 32	192,000
Second district, block 56, Hudson street, lots 1 to 32	192,000
Second district, block 83, Hudson street, lots 1 to 32	192,000
Second district, block 84, River street, lots 1 to 32	192,000
Second district, block 85, Pavonia avenue, lots 1 to 32	192,000
Second district, block 86, River street, lots 1 to 32	192,000
Second district, block 87, River street, lots 1 to 32	192,000
Second district, block 88, River street, lots 1 to 32	192,000
Second district, block 115, North street, lots 1 to 32	192,000
Second district, block 116, Pavonia avenue, lots 1 to 32	192,000
Second district, block 117, North street, lots 1 to 4, and 21 to 32	96,000
Second district, block 118, North street, lots 1 to 32	160,000
Second district, block 119, North street, lots 1 to 32	160,000
Second district, block 120, North street, lots 1 to 32	160,000
Second district, block 148, Provost street, lots 1 to 8, to 11, and 30 to 32.	56,000
Second district, block 150, Provost street, lot 21	3,000
Second district, block 157, Provost street, lots 18 to 24	56,000
Second district, block 151, Tenth street, lots 25 to 32	48,000
Second district, block 152, Meadow street, lots 1 to 32	192,000
Second district, block 153, Meadow street, lots 1 to 32	156,000
Second district, block 153, Provost street, lots 3 and 6	128,000
Second district, block 183, Provost street, lots 1 to 32	192,000
Second district, block 218, Hudson street, lots 1 to 32	192,000
Second district, block 253, Grove street, lots 1 to 4	24,000
Second district, block 253, Erie street, lots 21 to 32	72,000
Second district, block 286, Erie, Tenth street, and Jersey avenue, lots 1 to 4, 11 to 16, and 21 to 32	140,000
Second district, block 323, Jersey avenue, lots 1 to 32	192,000

LONG DOCK COMPANY.

Fourth district, block 559, Hopkins avenue, lots 17 to 20	\$4,500
Fourth district, block 560, St. Paul's avenue, lots 5 to 32	35,000
Fourth district, block 628, Summit avenue, lots 1 to 8	7,500
Fourth district, block 629, Summit avenue, lots 1 to 4	15,000
Fourth district, block 629, Buren street, lots 25 to 28	4,500
Fourth district, block 630, Buren street, lots 29 to 56	27,000
Fourth district, block 631, Collard street, lots 57 to 111	46,000
Fourth district, block 632, Nelson avenue, lots 112 to 159	49,000
Fourth district, block 633, Tuers street, lots 160 to 171	10,000
Fourth district, block 690, Tonnele avenue, plot 1	144,000
Fourth district, block 691, Nelson avenue, plots 1 to 5	82,000
Fourth district, block 692, Nelson avenue, plots 1 and 2	24,000
Fourth district, block 692, Nelson avenue, plots 6 and 7	12,000
Fourth district, block 694, Nelson avenue, plots 1 and 2	9,000
Fourth district, block 956, Germania avenue, plot	29,000
Fourth district, block 1,132, meadow lots 46, 47, 48, 49, 50 and 57	20,000
Fourth district, block 1,200, meadow plots 1, 11, 16, 24, 60	34,000
Fourth district, block 1,200, meadow plots 56, 59, 61 and 62, are assessed to Jay Gould, but pay no tax	30,000
Fifth district, block 530, Hoboken avenue, lots 14, 20, 22, 24 to 33	100,000
Fifth district, block 533, Hoboken avenue, lots 30, 5d, 6d, 7d and 8d	25,000
Fifth district, block 552, Palisade avenue, lots 2, 4 and 14	50,000
Fifth district, block 557, Fleet street, lots 5 and 16	16,000
Fifth district, block 558, Fleet street, lots 5 to 16, and 17 to 26	47,000

Fifth district, block 561, Hoboken avenue, lots 1 and 2, 3, 4 and 5.....	84,000
Fifth district, block 562, St. Paul's avenue, lots 1 to 64.....	64,000
Fifth district, block 571, Fleet street, lots 1 to 41.....	56,000
Fifth district, block 573, Summit avenue, lots 1 to 34.....	58,000
Total.....	\$6,799,500

DELAWARE, LACKAWANNA & WEST. RAILROAD.

First district, one plot.....	20,000
Second district, block 29, block and pier.....	150,000
Second district, block 30, block and pier.....	150,000
Second district, block 60, Hudson street, lots 1 to 8, 15th street, lots 1, River street.....	16,000
Second district, block 60, Hudson street, lots 9 to 16, lots 17 to 24.....	32,000
Second district, block 60, 16th street, lots 25 to 32.....	16,000
Second district, block 61, Hudson street, lots 1 to 32.....	64,000
Second district, block 92, River street, lots 1 to 32.....	20,000
Second district, block 93, River street, lots 1 to 32.....	20,000
Second district, block 94, River street, lots 1 to 32.....	20,000
Second district, block 95, River street, lots 1 to 32.....	20,000
Second district, block 124, North street, lots 1 to 32.....	20,000
Second district, block 125, North street, lots 1 to 32.....	20,000
Second district, block 157, Meadow street, lots 1 to 32.....	100,000
Second district, block 158, Meadow street, lots 1 to 32.....	100,000
Second district, block 189, Provost street, lots 1 to 8 and 30 to 32.....	18,000
Second district, block 228, Grove street, lots 21 to 30.....	5,000
Second district, block 262, 19th street, lots 10 to 31.....	92,000
Second district, block 263, 20th street, lots 9 to 17.....	36,000
Fourth district, block, 1,200 plots of 3,940.....	5,000
Total.....	\$924,000

MORRIS AND ESSEX RAILROAD.

Second district, block 31, block and pier.....	\$60,000
Second district, block 62, Hudson street, lots 1 to 32.....	64,000
Second district, block 126, North street, lots 1 to 32.....	20,000
Second district, block 127, North street, lots 1 to 32.....	20,000
Second district, block 127½, Meadow street, lots 1 to 5.....	3,000
Second district, block 159, Meadow street, lots 1 to 32.....	100,000
Second district, block 160, Meadow street, lots 1 to 32.....	100,000
Second district, block 161, Meadow street, lots 5 to 24.....	20,000
Second district, block 190, Provost street, lots 1 to 32.....	42,000
Second district, block 191, Provost street, lots 1 to 32.....	56,000
Second district, block 192, Provost street, lots 1 to 32.....	80,000
Second district, block 193, Henderson street, lots 9 to 20.....	24,000
Total.....	\$589,000

JERSEY CITY AND BERGEN H. R. R. CO.

First district.....	\$25,000
Fifth district.....	30,000
Total.....	\$55,000

This does not include running stock, &c., which should be, at least, \$80,000 more.

Some of this property is exempt under the charters granted to the companies. But at least one-half is exempt by special acts of the Legislature. In some cases the State gets, for thus taking from the city its taxable property and giving it tax-free to the railroads, *one-half of one per cent.*, which is put into the State Treasury; this is *less than one-sixth* of the tax which these companies would pay on this property to the city if they paid taxes at the same rate as other property pays. We believe that all these special acts of exemption are not only grossly unjust, wickedly wrong, but unconstitutional. We believe, also, that any just court would hold that such legislation is void, because it takes the property of one party without compensation for the benefit of other parties; and besides this party—that is, the State—which thus takes and bestows what it does not own, is itself the recipient of a part of the fruits of the robbery, and these special acts come, therefore, into the category of interested legislation, or that which is corrupt, because done for a consideration. In brief, we believe there is no more law than there is justice in the robbery of Jersey City which we have exposed. The people of this city should demand, with one voice, the unconditional repeal of all the special acts that exempt corporation property—whether of railroads, canals or churches—from taxation. Failing in this, the city should, regardless of these acts of the Legislature, levy the taxes and enforce their collection by seizing and selling the property—and in that way the question of the validity of these acts would be carried into the courts. We have not space to-day to discuss further this important subject.

WHAT THE CORPORATIONS DO PAY.

We propose to be entirely just in this matter; and, as some corporation property does pay taxes, it is fair that the facts should be stated:

The Central Railroad of New Jersey does pay taxes on the property held by them and not used for railroad purposes.

The Jersey City and Bergen Horse Railroad Company pays, this year, on all property, excepting on that in the Fifth District, which is used as car stables.

The Pennsylvania Railroad and Transportation Company paid, December 20, 1872, \$13,720.32 in local taxes. This amount is for taxes on property bought by the company in the Third District and Second District, extending from Provost street to Railroad Cut, running through the whole line of blocks between these points, which is to be used for the new track, but the payment of taxes on this will cease next May.

The Morris Canal and Banking Company paid taxes last year on the following property: nine lots on block 131, on Essex and Morris streets, near corner of Van Vorst; also one house and stable south

of basin near Greene street. The taxes assessed on the remainder of their property have not been paid.

And these small items are all the taxes which Jersey City gets from property that should this year and would, if taxed as all other real estate is, pay into the city treasury more than \$300,000 in taxes. This sum, of more than \$300,000, the taxpayers have to make up. Does any one wonder now why local taxation in Jersey City is high? It should also be stated that a very large amount in taxes assessed and claimed by the city, especially for the last five years, amounting to some hundreds of thousands of dollars—has been by these corporations *certiorated*, and is now in litigation, and when the questions relative thereto will be settled no man knoweth.

RECAPITULATION.

New Jersey, now Pennsylvania R. R.....	\$6,693,000
Erje Railroad.....	6,799,500
Del. Lack. & W. & M. & E. R. R.....	1,513,000
Morris Canal & B. Co.....	876,000
J. C. & B. Horse R. R. Co.....	55,000
Total	\$15,936,500

This is all exempt real estate. If the personal property of these corporations, which escapes taxation, were assessed, we should have a grand total, at assessors' valuation, of more than TWENTY MILLIONS of untaxed corporation property in Jersey City.

We have not been able to give the aggregate or the items of church property untaxed, but it is very large, and and all the *blocks* not taxed are designated on the map by the dark shade.

In addition to what is stated in the foregoing article, it should be stated that there is in the County of Hudson a large property—river fronts and other real estate—located north of the line of Jersey City, and not shown on this map, which pays no taxes, and its value is not less than *ten millions dollars*. The total of untaxed railroad property in Hudson County is not less than *thirty millions dollars*.