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For Township of Blairstown.

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WRIT OF CERTIORARI.

Filed March 22, 1928.

NEW JERSEY, ss.

State of New Jersey to State Board
of Taxes and Assessments and the
(SEAL) Taxing District of the Township of
Blairstown in the County of Warren, 10
GREETING:

We being willing for certain reasons to be
certified of and concerning a certain order,
judgment or decree made on the 10th day of
January, 1928, reinstating a certain assessment
made by the Taxing District of the Township of
Blairstown in the County of Warren, for the
purpose of taxation for the year 1927, against
Board of Trustees of Blair Academy, Board of
Managers of Blair Academy and Blair Academy, 20
upon the lands and buildings consisting of one
hundred acres of land and the buildings stand-
ing thereon, being approximately eight buildings
used for school purposes, which said buildings
occupy approximately five acres of the one hun-
dred acres assessed, together with certain per-
sonal property contained in said buildings, and
described in tax notice for 1927 of the Township
of Blairstown as page 17 No. 24; and setting aside 30
the judgment of the Warren County Board of
Taxation, filed July 16, 1927, which judgment
cancelled the entire assessment upon said lands
and the buildings standing thereon and the per-
sonal property contained therein, and any and all
things touching and concerning the same, do com-
mand you that the said order, judgment and de-
cree of January 10, 1928, together with all pro-
ceedings had and taken by the State Board of
Taxes and Assessments, upon which the same was
founded, together with all the testimony of wit- 40

Writ of Certiorari.

nesses and other evidence taken thereon, as fully as before you they appear and remain, and also all the facts submitted to you and the grounds, reasons and legal principles upon which you proceeded in your said order, judgment and decree, and all things affecting and concerning the same, you certify and send under seal to our Justices of our Supreme Court at Trenton, on the 11th day of April next, that we may cause to be done thereon what according to law and the Constitution of New Jersey, ought to be done.

10 WITNESS, THOMAS W. TRENCHARD, ESQUIRE, a Justice of our Supreme Court, at Trenton, this 22nd day of March, Nineteen Hundred and Twenty-eight.

20 EDWARD J. KELLEHER,
Acting Clerk.

WAYNE DUMONT,
Attorney.

I allow this writ. Let it be sealed March 22, 1928.

THOMAS W. TRENCHARD,
J. S. C.

30 Service of the within writ is hereby acknowledged this 23rd day of March, 1928.

EGBERT ROSECRANS,
Attorney of Taxing District of the Township of Blairstown in the County of Warren.

RETURN TO WRIT.

New Jersey Supreme Court

BOARD OF TRUSTEES AND BOARD OF MANAGERS OF BLAIR ACADEMY and BLAIR ACADEMY, <i>Prosecutors,</i>	}	10
<i>vs.</i>		
STATE BOARD OF TAXES AND AS- SESSMENTS and TAXING DIS- TRICT OF THE TOWNSHIP OF BLAIRSTOWN IN THE COUNTY OF WARREN, <i>Defendants.</i>	}	20
		<i>On Certiorari.</i>

The State Board of Taxes and Assessment doth herewith send to the Supreme Court of the State of New Jersey the petition, judgment and proceedings in the matter of the appeal of Township of Blairstown from the action of the Warren County Board of Taxation in cancelling the assessment on property of Blair Academy, situate in the Township of Blairstown, County of Warren, for the year 1927, as within it is commanded, as by the transcript under the seal of said Board hereto annexed more fully appears. 30

STATE BOARD OF TAXES
AND ASSESSMENT.

By CHARLES E. COOK,
Secretary.

PETITION.

10 In the Matter of the application
of the Taxing District of The
Township of Blairstown in
the County of Warren from
the action of the Warren
County Board of Taxation in
reducing the tax assessment
levied for the year 1927 on
property of The Board of
Trustees of Blair Academy
and The Board of Managers
of Blair Academy situate in
the Township of Blairstown,
County of Warren and State
20 of New Jersey.

Petition.

To the State Board of Taxes and Assessment:

Your petitioner, the taxing district of residing
at (P. O. address) The Township of Blairstown,
in the County of Warren and State of New Jer-
sey, respectfully shows that Blair Academy is
the owner of certain property situate in the tax-
ing district of Township of Blairstown, County
30 of Warren, consisting of real estate and personal
property and known as* Blair Academy.

That said property was assessed for the pur-
pose of taxation for the year 1927 by the As-
sessor of Blairstown Township at a valuation
of** Land, \$5,000.00; Improvement, \$895,000.00;
Personal, \$30,000.00; Total, \$930,000.00.

That an appeal from said assessment was filed
with the Warren County Board of Taxation by
the said Blair Academy etc., which appeal said
Board disposed of as follows: by cancelling the
40

Petition.

entire assessment on land, improvements and personal property at which reduced assessment your petitioner is aggrieved, because it is less than the true value of such property.

Your petitioner therefore prays that the said cancelled assessment of*** Land, \$; 10
 Impt., \$; Pers., \$; Total,
 \$, for the year 1927, be increased to the true value of the property, to wit:
 Land, \$5,000.00; Impt., \$895,000.00; Pers., \$30,000.00; Total, \$930,000.00.

Dated September 27, 1927.

The Taxing District of The Township of
 Blairstown in the County of Warren,

(Signed) by EDW. M. SMITH, 20
 Township Clerk.

*Where city property is the subject of appeal, care should be taken to describe the lot, block and street number, so that the same may correspond with the tax collector's books.

**This amount should be the original valuation of the property, as it appears on the tax bill.

***This amount should be the valuation to which the assessment was changed by the County Board of Taxation, on appeal. 30

STATE OF NEW JERSEY, }
 COUNTY OF WARREN. } ss.

EDWARD M. SMITH, Township Clerk of the Taxing District of the Township of Blairstown in the County of Warren, the above-named petitioner, being duly sworn according to law, on his oath says that he has read the above petition and knows the contents thereof, and that the 40

Petition.

statements set forth and contained therein are true, and that he is authorized to sign the same.

EDW. M. SMITH,
Township Clerk.

10 Sworn and subscribed before me this
27th day of Sept., 1927.

SAMUEL T. BEATTY,
Notary Public of New Jersey.

STATE OF NEW JERSEY, }
COUNTY OF WARREN. } ss.

20 SAMUEL T. BEATTY, being duly sworn according
to law, on his oath says that he served a copy of
the above petition and affidavit on John M.
Waddell, President Board of Directors of Blair
Academy respondent taxpayer, personally, this
27th day of September, 1927.

SAMUEL T. BEATTY.

Sworn and subscribed before me this
27th day of Sept., 1927.

30 EGBERT ROSECRANS,
M. C. C. of N. J.

STATE OF NEW JERSEY, }
COUNTY OF WARREN. } ss.

40 EGBERT ROSECRANS, being duly sworn according
to law, in his oath says that he served a copy of
the above petition and affidavit on Joseph W.
Roseberry (Secretary) of the Warren County
Board of Taxation, personally, this 26th day of
September, 1927.

EGBERT ROSECRANS.

Petition.

Sworn and subscribed before me this
26th day of Sept., 1927.

SAMUEL T. BEATTY,
Notary Public of New Jersey.

10

STATE OF NEW JERSEY.

State Board of Taxes and Assessment.

PETITION OF APPEAL.

Township of Blairstown in the County
of Warren

vs.

Blair Academy and Warren Co. Bd. of
Tax'n. 20

Filed Sept. 29, 1927.

EGBERT ROSECRANS, Esq.,
Petitioner's Attorney.
Blairstown, N. J.

30

40

MEMORANDUM.

Filed January 10, 1928.

STATE OF NEW JERSEY,
STATE BOARD OF TAXES AND
ASSESSMENT.

10

In the Matter of the application
of the Township of Blairstown
from the action of the Warren
County Board of Taxation in
cancelling the tax assessment
levied for the year 1927 on
property of Blair Academy,
situate in the Township of
Blairstown, County of Warren
and State of New Jersey.

Memorandum.

20

For petitioner, Egbert Rosecrans.
For respondent, Wayne Dumont.

30

THE BOARD: This is an application, on the part of the Township of Blairstown, to restore an assessment against land, improvements and personalty levied upon the property of what is commonly known as Blair Academy. This assessment was cancelled by the Warren County Board of Taxation on the ground that the buildings were actually devoted to the use of a school or academy.

40

No proof has been produced before this Board indicating that any of the parties claiming the exemption, and holding the legal or equitable title to the property in question, are incorporated or organized under the laws of New Jersey and

Memorandum of State Board.

authorized to carry out a purpose for which this exemption may be allowed.

It is not claimed that the property has been assessed in excess of its true value and, therefore, the assessment must be retored and the action of the Warren County Board of Taxation reversed.

10

Endorsed:

STATE OF NEW JERSEY
STATE BOARD OF TAXES AND
ASSESSMENT.

In re

Township of Blairstown,

20

vs.

Blair Academy and Warren
County Board of Taxation,
for the year 1927.

MEMORANDUM

Filed January 10, 1928.

30

40

JUDGMENT.

STATE OF NEW JERSEY.

STATE BOARD OF TAXES AND
ASSESSMENT.

10

In the Matter of Appeal of the
Taxing District of The Town-
ship of Blairstown in the
County of Warren from the
action of the Warren County
Board of Taxation in can-
celling the assessment on
property of Blair Academy
situate in the Township of
Blairstown in the County of
Warren for the year 1927.

Judgment.

20

An appeal in writing having been filed with the State Board of Taxes and Assessment, duly verified according to the rules of practice prescribed by said Board, by the taxing district of The Township of Blairstown in the County of Warren in which it is alleged that an injustice has been done the said complainant by the action of the Warren County Board of Taxation in cancelling the tax assessment levied for the year 1927, on certain property of Blair Academy etc., located at The Township of Blairstown in the County of Warren consisting of Land, \$5,000.00; Improvements, \$895,000.00; Personal, \$30,000.00; Total, \$930,000.00, and that said cancelled assessment is lower than the true value of such property, and illegal.

30

After hearing evidence produced on the part of said complainant and the said respondents,

40

Judgment of State Board.

and the argument of Egbert Rosecrans, Esq., for the complainant; and Wayne Dumont, Esq., for the said respondent taxpayer and after considering the same, it is on this tenth day of January, nineteen hundred and twenty-eight, at a session of the State Board of Taxes and Assessment, ORDERED, ADJUDGED and DECREED, under and by virtue of Chapter 67 of the Laws of 1905, Chapter 244 of the Laws of 1915 and Chapter 236 of the Laws of 1918, that the assessment of Land, \$5,000.00; Improvements, \$895,000.00; Personal, \$30,000.00, making a total of \$930,000.00, levied on the property of what is commonly known as Blair Academy and situate in said Township of Blirstown in the County of Warren, be restored, and the action of the Warren County Board of Taxation in cancelling the same, be reversed.

10

20

JAMES BAKER, President.

M. R. MARGERUM,

F. D. WEAVER,

ISAAC BARBER,

State Board of Taxes and Assessment.

Attest:

CHAS. E. COOK,
Secretary.

30

40

Judgment of State Board.

STATE OF NEW JERSEY.
STATE BOARD OF TAXES AND
ASSESSMENT.

In re Appeal of

10 The Township of Blairstown
in the County of Warren

vs.

Blair Academy *et als.*,
for the year 1927.

JUDGMENT.

Decided and Filed

20 January 10, 1928.

CHAS. E. COOK,
Secretary,
State Board of Taxes and Assessment.

30

40

DOCKET.

5341

TOWNSHIP OF BLAIRSTOWN,
Petitioner,

vs.

BLAIR ACADEMY and WARREN
COUNTY BOARD OF TAXATION,
Respondent.

10

Petr's attorney. Egbert Rosecrans.

Respdt's atty. Wayne Dumont.

Assessment of 1927.

Property: Real estate and personal property,
known as Blair Academy, assessed by Township 20
at Land \$5,000, Imp., \$895,000, Pers., \$30,000,
total \$930,000; Cancelled by County Board.

Amount, \$; Judgment, \$
1927

Sept. 29. Petition filed.

Oct. 4. Hearing fixed for November 2nd, at
Trenton and notice sent.

Nov. 2. Case heard. Decision reserved, pend-
ing the filing of briefs.

1928

30

Jan. 10. Judgment entered, reversing the action
of the County Board and restoring
the assessment. Memorandum filed.

40

MINUTES.

State House, Trenton, New Jersey,
Tuesday, October 4, 1927.

10 The Board met at 10:30 A. M. on the above date. Present, President Baker, Commissioners Barber, Huegel and Margerum. Absent, Commissioner Weaver.

* * * *

The Secretary informed the Board that 579 appeals had been filed from assessments made by the local assessors for the year 1927, and presented a tentative schedule of dates for hearing these appeals. The Board approved the schedule of dates as follows:

20 * * * *
Wednesday, November 2: State House, Trenton, 10 Somerset, 3 Hunterdon, 5 Middlesex and 1 Warren County case.

* * * *

State House, Trenton, New Jersey,
Wednesday, November 2, 1927.

The Board met at 10:30 A. M., for the purpose of hearing appeals.
30 Present, Commissioners Barber, Margerum and Weaver.

The following calendar of appeals was called:

* * * *

3. Township of Blairstown *v.* Blair Academy and Warren County Board of Taxation.

40 Case called, Mr. Egbert Rosecrans appearing for the Township of Blairstown, and Mr. Wayne

Minutes of State Board.

Dumont appearing for Blair Academy. It was agreed between counsel that the case be considered on the testimony which was presented to the Warren County Board of Taxation, which testimony was offered as Exhibit P. 1. Decision was reserved by the Board, pending the filing of briefs by counsel for both sides. 10

* * * * *

State House, Trenton, New Jersey,
Tuesday, January 10, 1928.

The Board met at 10:30 A. M. on the above date. Present, President Baker, Commissioners Barber, Huegel, Margerum and Weaver.

* * * * *

The Board took up for consideration the appeal of Township of Blairstown *v.* Blair Academy, and ordered that the assessment of \$930,000, being \$5,000 on land, \$895,000 on improvements and \$30,000 on personalty, which had been cancelled by the County Board on appeal, be restored. A memorandum was filed, giving the reasons for the Board's conclusions in this case. 20

* * * * *

STATE OF NEW JERSEY. 30

STATE BOARD OF TAXES AND
ASSESSMENT.

I, CHAS. E. COOK, Secretary of the State Board of Taxes and Assessment, Do HEREBY CERTIFY, that the foregoing are true copies of the petition, judgment and proceedings in the matter of the appeal of Township of Blairstown from the action of the Warren County Board of Taxation 40

Minutes of State Board.

in cancelling the assessment on property of Blair Academy, situate in the Township of Blairstown County of Warren, for the year 1927, as the same are taken from and compared with the originals filed in the office of the State Board of Taxes and Assessment, on the twenty-ninth day of September and other dates A. D. 1927 and 1928, and now remaining on file and of record therein.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Board, at Trenton this ninth day of April, A. D. 1928.

CHARLES E. COOK,
Secretary.

(SEAL)

20

30

40

TESTIMONY.

WARREN COUNTY TAX BOARD.

In the Matter of the application of the Board of Trustees of Blair Academy and of the Board of Managers of Blair Academy for the reduction of the Tax Assessments for the year 1927, on property situate in the Township of Blairstown, County of Warren and State of New Jersey, property consisting of 9.55 acres of land, or thereabouts, together with the buildings thereon, and certain personal property, comprising the educational institution known as Blair Academy.

10

*On Appeal
from Assess-
ment of Taxes
for 1927.*

20

Stenographic transcript of testimony of witnesses, taken the 9th day of July, at 9:00 o'clock A. M., before the Warren County Board of Taxation, John E. Smith, Esq., chairman, Albert Walling and James R. Dick, Esqs., and J. W. Roseberry, Esq., secretary.

30

Present: Wayne Dumont, Esq., for the petitioner, Blair Academy, and Egbert Rosecranz, Esq., for the Township of Blairstown.

(A. Augustus Dye, assistant to the official stenographer, Passaic County Circuit, Paterson, N. J., sworn as the stenographer.)

Mr. Dumont: Now, gentlemen, I want to go along as you gentlemen wish to have me do it,

40

Testimony.

and I have no doubt you want to get through as quickly as possible.

The Chairman: In the first place, let us see what this appeal is for. (Reading petition for appeal.) I think we had better proceed to call the witnesses, or do you want to make explanatory comments first, on behalf of both sides? Do you, Mr. Rosecranz?

Mr. Rosecranz: No.

The Chairman: Or proceed directly to the taking of testimony?

Mr. Rosecranz: I suppose, they will proceed with their witnesses first.

Mr. Dumont: I think you understand what the situation is. I have here the deeds, and perhaps it would be better to have the deeds first. I have, therefore, had the County Clerk of Warren County prepare certified copies of several deeds covering the properties in question, which I am going to offer. I assume Mr. Rosecranz will have no objection to these certified copies. They are all certified by the County Clerk of Warren County, as being true copies of the deeds. I am going to offer these, of course, without the production of the County Clerk to swear to their being true copies, as, under the act, the rule has been that the party who certified them does not have to appear at the trial.

Mr. Rosecranz: You mean, the County Clerk certifies the record. That is all right.

Mr. Dumont: Yes, he certifies the record.

John C. Sharpe, direct.

JOHN C. SHARPE, produced as a witness on behalf of the petitioner, having been first duly sworn, was examined by the chairman, and testified as follows:

Q What is your occupation, Mr. Sharpe? A
Headmaster of Blair Academy. 10

Q How long have you been headmaster? A
Twenty-nine years.

Q Headmaster at the present time? A Yes,
sir.

Q What is the object of your asking for the
exemption of these taxes? Why do you ask it?
A Under the law of New Jersey, which says
schools, colleges, etc., are exempt from taxation,
very specifically.

Q Is this Blair Hall Academy a corporation? 20
A It is not incorporated itself, but it is owned
by the Presbytery of Newton, which is incor-
porated.

Q It is not incorporated by itself? A No, it
is not; it is subsidiary to the Corporation of the
Newton Presbytery.

Q Is this academy built or maintained by
stockholders or by just the Presbytery? A
There are no stockholders.

Q It is not a stock company? A No. 30

Q Owned entirely by the Presbytery of New-
ton? A Yes, sir.

Q Does it derive any gains from it, any
benefit from it? A No, sir.

Q None whatever? A No, there are no stock-
holders, nobody to whom gains could be paid.

Mr. Dumont: I might explain about the
deeds. Dr. Sharpe, you know about them.
And then we can produce the deeds.

The Chairman: Yes. 40

John C. Sharpe, direct.

A (Continuing.) Well, the first deed was of 1848, transferring the lands on which the little building stands up here—

Mr. Dumont: That is the little old building back up here.

10

A (Continuing.) —first, to the officers of the Presbyterian Church, to be conducted by them as a school, subject to the requirements of the Newton Presbytery, or, failing that, the Presbyterian Board of Education to conduct it, in that way, as a school. That was transferred later to the Newton Presbytery. The second deed is of 1870. The school was organized in 1848, by Mr. Blair, and it was held up here in the small

20 school house, and the public attended it as a public school as well, and Mr. Blair maintained the whole thing out of his own pocket, and built a dormitory on the hill, which gave it the name of Blair Hall. It was called Blair Hall, that gave the name to the whole institution. In 1870 he transferred that to the Presbytery at Newton. The Board of Managers, as they called them, that is appointed by the Presbytery of Newton. So the Presbytery of

30 Newton became the owner, and its purpose was to conduct a school of high standard for the benefit of the neighborhood and for those who wished to come from afar. The next deed of land is 1889. The second deed was for nine acres, and in 1889 he transferred other land for additional buildings, under exactly the same provision, to the Board of Managers appointed by the Presbytery of Newton, specifying that it was to be forever used as a school of high standard

40 for the education of the youth—that is all in the

John C. Sharpe, direct.

deeds, not just those exact words, but that is the gist of it. I know them pretty well by this time, because I have studied them, and I have tried to live in accordance with their provisions. Then there are certain deeds of trust, moneys, you know, that is not in our land at all, that does not come into discussion there.

10

Q Does this corporation of the Presbytery of Newton do any other business besides educational business? A Oh, the Presbytery—

Q That is, in this particular case? A No, no, no, that is, to do anything over here. Of course, it is just conducted as a school.

Q What I mean, I understood that there were some side issues here, of electric lighting, electric power, water— A Well, we have—

Q —such things as that, that it has supplied to other parties, and is owned by them? A We did. Mr. Blair did build an electric light plant for the benefit of the school, which he allowed—which supplied the neighbors—a few neighbors themselves—and then that became a public utility, but they sold that.

20

Q It hasn't any other business now? A No. But then we have the water company. The water company furnishes fire protection to the town, with these public hydrants. That is not of much use commercially, but it furnishes water to the community as an accommodation at a minimum—really at a losing—rate, but it is built for the purpose of supplying the school with water. This was an accommodation to the neighbors, but naturally that made us a public utility company, and we are subject to that, to pay taxes, in that way, which is a matter of record.

30

Q You do pay taxes for these public utilities? A Yes, to the state, county, and everything else

40

John C. Sharpe, direct.

that can lay a tax on it; we have to make reports.

Q How much land is in actual use for the institution? A Well, we suppose about fifty acres. We never had that surveyed. We own the farm around about it, which is the Boardman place,
10 and we rent that to a man that furnishes milk to the school.

Q Do you pay taxes on that? A Oh, yes, sir.

Q Then you are paying taxes on everything—you claim exemption only for what is being used for educational purposes? A Yes, sir.

The Chairman: Any questions to ask?

A (Continuing.) We pay taxes on the farm.

20 The Chairman: That is about the gist of it.

Mr. Dumont: Is there any objection to these deeds?

Mr. Rosecranz: No.

The deeds so offered were received in evidence, and marked petitioner's Exhibits P. 1, P. 2 and P. 3, and portions thereof read to the Board by Mr. Dumont.

30 Mr. Dumont: Just look at them. I do not find that wording, "without profit," but we have it in one of these conveyances. Have you it there, Mr. Rosecranz?

The Witness: I do not believe that those words occur any place, but the organization makes it impossible to have any profits. There are no stockholders; there is no stock or bonds, and there is no one to whom any profit could be paid if there were any, and
40 there is never anything but a deficit.

John C. Sharpe, direct.

Q Dr. Sharpe, there must certainly be somebody keeping book, and know what is doing, the conditions, all of that. A Certainly.

Mr. Dumont: We have the bookkeeper here, and we can produce him, and we can ask him where it goes—Mr. Rea. We are always in debt up there. I can show them notes up there that have not been paid, and that they have been gradually taken out from time to time, and payments made on them, and then they get higher and then lower; but there has been a continual parade of notes here ever since the organization of the institution; that in Dr. Sharpe's time, there has never been any profits made, but the institution has simply carried all of these obligations, paying them off at one time and then before the year is ended borrowing more money, in his twenty-nine years with the institution. Now, prior to that, Dr. Vail is here, and he can testify as to the time that he has been connected with the institution, that he acted for John I. Blair in his lifetime in this matter, up to Dr. Sharpe's coming, and Dr. Vail will show that all of the bills of the institution, deficits and everything else, were met by Mr. Blair in his lifetime and that he paid those items. There is one thing, of course, I cannot show you. Clinton Hall burned down here in 1922, and all of the books up to the time of the fire, all of the vouchers and everything, were burned, so that we haven't anything but the vouchers since that fire and the books that were not burned. When do they begin, Mr. Rea?

Mr. Rea: 1922, August 1, 1922.

John C. Sharpe, direct.

The Chairman: You have all of the books of the present year or the last couple of years?

Mr. Dumont: Oh, yes; we have those.

The Witness: For the last five years.

10 Mr. Dumont: If the Board would like to look at these, I am going to offer them in evidence.

Mr. Rosecranz: While you are on these deeds, did you want to read the acreage, the specified acreage?

20 Mr. Dumont: Yes, I will do that very gladly, because—all acreage, both that used by the school as a part of it and as a part of the farm. This deed of May 24, 1889, says it contains 2.47 acres. Going back, taking the deed of 1870, doctor, do you happen to know how many acres are contained in that? It does not state here.

The Witness: Nine acres, more or less.

By Mr. Rosecranz.

Q Doctor, within what area are the school buildings situated on? The actual acreage? A Between two and three acres.

30 Q Doctor, all within an area of five acres? A Yes.

By Mr. Dumont.

Q All of the buildings? A I think it is all within five acres. This little building here may be outside of that.

40 Mr. Dumont: This first one says "one-half acre of land, being more or less." The total is one-half of an acre, then nine

John C. Sharpe, direct.

acres, and then 2.49 acres, a total of about twelve acres. And out of that whole lot, the school buildings are located with five acres. May I be permitted to put some questions here, Mr. Chairman?

The Chairman: Yes.

10

By Mr. Dumont.

Q Dr. Sharpe, you say you came here forty-nine years ago? A Twenty-nine years ago.

Q I mean, twenty-nine years ago. Since your time in the school here, has there been any profits made any year, during the school period? A No.

Q Are you or are you not always in debt? A We have to carry over a deficit every year which we pay, of course, at the beginning of the next year, that is, when we make our collection that debt emerges and again carried and so we have the benefit of the money, of course, at that time.

20

Q By that, you mean, as I understand it—Just what do you mean by when you say the debt emerges? I want the Board to be very clear on this subject. A Well, I have figures here, if they would care to have them.

Q It is up to them. A At the end of the fiscal year 1922, we had borrowed money to the amount of \$33,525.00; at the end, on August 1, 1923, that was \$32,500.00; August 1, 1924, \$47,500.00; the fire had come in there; August 1, 1925, \$23,500.00; August 1, 1926, \$28,000.00; July 1st, of this year—this year is not made up yet, but I have the figures here of the notes outstanding, \$15,300.00.

30

Q Now, that indebtedness can always be shown where and how? In what form? A In the books for money borrowed, outstanding notes.

40

John C. Sharpe, direct.

Q Where did you borrow those moneys? A We borrowed the money from the Blairstown First National Bank, and the Belvidere National Bank; from the Newton—what is the name—“Sussex”?

Q No, they call it the Sussex Merchants, isn't it? A Right, yes.

Q The Merchants and Sussex being combined. At the present time, what bank holds your notes? A Blairstown— Oh—

Q Do you know? A No. I hold them.

Q You hold them individually? A Yes, just simply I did not put them in the bank, but I took out my Liberty Bonds and borrowed on them, because I resigned effective the 1st of August, and a new man comes in, and I want to transfer that all to him.

The Chairman: You borrowed on your own name for the institution, is that the idea?

The Witness: No, I gave—well, I borrowed the money under the name of John C. Sharpe, headmaster.

The Chairman: Oh.

30 The Witness: (Continuing.) Ordinarily, I do, but just now, on account of my resignation, I have just loaned the money on my own account, so that I can transfer it more easily; then I will arrange it with the new headmaster when he comes in to assume the responsibility.

40 The Chairman: The point I wanted to drive at, is whether you borrowed that money or loaned that money to this Academy or whether you gave it on a note.

John C. Sharpe, direct.

The Witness: On a note, always on a note, just the same.

The Chairman: That is, you hold it on your own note, for an accommodation?

The Witness: I took a note to John C. Sharpe under the name, John C. Sharpe, Headmaster, just for a few days now. You see, we will have a debt when the school opens; in September that will be paid off, and there will be no debt—paid off with the collections. 10

The Chairman: What collections do you have to make that payment from?

The Witness: Why, on the collections for board and tuition for the half of the year.

The Chairman: What? 20

The Witness: We make the collection for the board and tuition, half at the beginning of the school year, half at the middle of the school year.

The Chairman: Collections from whom?

The Witness: From the students.

The Chairman: Oh, tuitions?

The Witness: Yes, we call it board and tuition. Then that debt is paid off. Then, of course, there is some money to run to the 1st of February and then we borrow a little more, and then we have enough for up to the 1st of February, so it is only carried for a little time just now. 30

Q In other words, as I understand you, the debt that is now carried would be wiped out by the first— A September 20th—

Q —semester collections? A Yes, sir. 40

John C. Sharpe, direct.

Q Of board and tuition, that you get from the students coming in in September, and after that is exhausted, and it, I understand you to say, in your testimony, does not carry you to February 1st? A No, it ends December or January.

10 Q You have to borrow, then, in December or January, from the bank cash— A Yes.

Q —up until after you are to collect your second semester payments? A Yes, sir.

Q Then, when those are collected, you find that will run you up to about what time? A In June.

Q Up to the early part of June? A First of June, along there.

20 Q Then, you have to borrow again? A Yes.

Q What do you mean by “your debt emerges”? What did you mean by that? A Why, we have used the money which we have collected, to pay for the bills, wages, etc., until we find ourselves unable to carry on the school until the next collection is made, and we have to borrow money to carry over that period, until the next collection is made of board and tuition. That gives us the use of this, for instance, \$47,-
30 500.00, by paying interest on it but a very short time. I guess that is clear enough.

Q Well, when you borrow this money, how do you get it from the three banks? That is what these men want to know. How do you get the money? A I am authorized by the Board of Directors to borrow that amount of money.

40 Q From whom? A To sign the note. The bank, to sign the note, John C. Sharpe, Headmaster, authorized by the Board of Directors, the bank paying to them the money.

John C. Sharpe, direct.

Q Did or did not the banks ask you to personally go on those notes? A Until the last two years I had to endorse the notes myself personally.

Q And had anybody else, in the meantime, in other years, endorsed notes? A Dr. Vail.

Q At those banks? A Yes. 10

Q It was upon the note of the institution gotten from you, given by you as headmaster, upon authorization of the Board of Directors, and the endorsement of yourself or Dr. Vail, or both of you, that the moneys have been obtained? A Yes, sir.

Q In other words, you and Dr. Vail practically put your own private money pledged for the payment of those notes, if the institution did not get it or did not have it, to make good? A Yes. 20

Q Is that right? A Excepting for the last year or two when I was authorized to sign notes as John C. Sharpe, Headmaster. Then I did not sign them personally, and I did not endorse them personally; but up to that time I did.

Q In the meantime the banks always insisted on a personal endorsement? A They did.

Q That made whatever moneys you had worked for and accumulated, and from your private estate, subject to the call of the bank, by which to carry the note along? A It did. 30

Q In other words, you would have to pay it, if the school could not? A Yes, sir.

Q Has that practically continued up to date? A Until two or three years ago, when I was authorized that I could borrow it in that way, but mostly we have taken the easiest way in book-keeping, and I have loaned the money in the bank on my own account. 40

John C. Sharpe, direct.

Q You had to go to the bank and get money in your own account to loan the school? A Yes, sir; took out my Liberty Bonds and put them up as collateral.

10 Q As collateral; that is, you went to the bank, took out your Liberty Bonds, put them up as collateral for the money loaned to the school, making yourself liable? A Yes, sir.

Q Did you get any interest of any kind from the institution? A On the money I had to borrow?

Q Yes. A Yes, they paid what I had to pay.

Q Just what you paid the bank is what you got back? A Absolutely.

20 Q Now, during the entire time that you have been headmaster here, which is some twenty-nine years, your resignation taking effect, I think you said, the 1st of August? A Yes.

Q Has the institution ever been conducted for profit? A Never.

Q Now, just explain that fully to the Board, because that is a question here that is raised. You say, first, it is not an incorporated school. A No, it is owned as a subsidiary to the Presbytery of Newton.

30 Q As a school operating under these trust deeds, is that right? A Yes.

Q To operate under the conditions and to carry out the purposes stated in the trust deeds? A Yes.

40 Q Make that clear to the Board, what properties have been given, if any, to the school, what they cover, also what endowments belong to the school, what they consist of, and so on? A The school, as it stands at the present time, has been provided by voluntary contributions from other people. Mr. Blair, you have read the deed there—

John C. Sharpe, direct.

Q That is, Mr. John I. Blair. A Yes, Mr. John I. Blair, the deed by which he donated the lands; Mr. Blair built Insley Hall. He built Locke Hall. Mr. D. C. Blair built practically Clinton Hall, the gymnasium, and provided a heating plant, and all of those things. Probably the whole thing at a cost, at the time it was done, of something like \$700,000.00. We do not know. He did not keep any accounts. He just did it, and it is there, and we have our guess about what it would cost and practically all—and all of the land that we own he paid for, about twelve acres, in 1898, to the college. Mr. D. C. Blair paid for the farm which we own here. We use that as a dairy farm to produce milk for the school. 10

Q And upon which you pay taxes, do you? A Yes, and the farmer on it pays rent to the school. Those have been the gifts. 20

The Chairman: Has there been any other person given gifts to it besides Mr. Blair?

The Witness: No, practically none.

Q Now, what endowment funds have you, moneys that are actually outright given to the school or have been investments, as endowments, upon which you draw interest; how much interest do you draw on your endowment funds? Let's put it that way. A About twelve thousand dollars. It varies from time to time; when a security matures and has to be reinvested, the money reinvested is usually at a lower rate. 30

Q On account of the fact you cannot get a higher rate? A Yes, unless it is not as safe.

Q In other words, some of these securities in which you had invested, which you had in this endowment fund, were purchased or given the 40

John C. Sharpe, direct.

school when the interest rate was higher? A Seven per cent., six per cent., but now to invest funds at four and a quarter, we are doing pretty well.

Q That rate of percentage changes from time to time, but you get about twelve thousand dol-
10 lars from that, you say? A Yes, although it varies, but twelve thousand is the maximum we have had.

The Chairman: And this endowment, where did it come from outside of John I. Blair?

Mr. Dumont: Voluntary gifts. Outside of
John I. Blair, it should be voluntary. He
can tell you about that. I would like to
20 have him make that clear.

The Chairman: What is that amount?

Q Tell us what that is, Dr. Sharpe? A
John I. Blair's gifts totalled down to originally
\$150,500.00; now, they may have been worth
\$175,000.00 or \$125,000.00; they were given in
securities, and when the securities were matured,
the proceeds were invested in other securities,
bonds or other investments, usually at a less rate
30 of interest. Then, there has been about \$60,-
000.00 given us by the alumni toward the en-
dowment, and we get interest on about \$210,-
000.00; and at the present time we are getting
varying from four and a quarter to six per cent.
on that.

The Chairman: This endowment has ac-
cumulated from the time it originally was
made that much?

40 The Witness: What do you mean?

John C. Sharpe, direct.

Mr. Dumont: They have to use the interest for the running of the school.

The Chairman: What I mean, the endowment first was about what?

The Witness: The first given was \$10,000, \$36,000, \$50,000, totalled to \$150,500.00. 10

The Chairman: Then, whatever these alumni gifts amount to up to the present, that was brought right into this fund, was it?

The Witness: Yes.

The Chairman: That is what I am trying to get at, if anybody had given anything but John I. Blair.

The Witness: About \$60,000.00.

Mr. Dumont: Perhaps I can help you. 20

The Chairman: Go ahead.

Q Dr. Sharpe, this \$60,000.00 in addition to Mr. Blair's gifts, is the entire— A Yes, sir.

Q —interest from that endowment used, or is that applied to any particular purpose? A To the operation of the school.

Q It has to be used every year, does it not?

A Oh, yes, sir; it is not enough. 30

Q Now, then, that is the reason we have this deficit all of the time? A Yes, sir.

Q This deficit cannot be made up unless it be voluntarily made up from contributions and so on? A No, unless we cut down the operation of the school, run it as a cheaper kind of a school.

Q Has any profit of any kind been made by the school that has not gone toward the pupils?

A Absolutely not. 40

John C. Sharpe, direct.

Q Sometimes this will— A (Interrupting.)
It is all used for the school. Shall I explain?

Q Yes, I wish you would. I don't want to
lead you. A This is all used for the expenses
of the school. That means, tuition, board, lodg-
10 ing, heat and light, necessary replacements, roof-
ing the houses, painting, changes and additions
here and there as the conditions of education
demand, in the laboratory and so on; everything
has been turned in every time, every cent we
have ever had has been turned in and used for
the school.

The Chairman: For the betterment of the
school, is that the idea?

The Witness: For the school, absolutely,
20 every cent.

Q Today you are in debt, the school, I mean?
A Yes, sir; to the date of July 1st.

Q Yes, of this year? A That is not very
long ago, \$15,300.00 at that time; part of that,
however, is not borrowed money but in mort-
gages, I should say.

The Chairman: One minute. Dr. Sharpe,
30 what were you in debt last October?

The Witness: I don't know.

The Chairman: About that time?

The Witness: October?

The Chairman: Yes, of last year.

The Witness: At the 1st of August, last
year—

The Chairman: What was that?

The Witness: (Continuing.) \$28,000.00.
40 I give the 1st of August, because that is the

John C. Sharpe, direct.

end of the fiscal year. The rest of it is current, and it is pretty hard to check up. Is that satisfactory? Does that answer it?

The Chairman: Yes, that is perfectly all right.

Q Well, have you made this out of profits? 10
Have you reduced this debt on profits from the school? You say it was \$28,000.00 last August, \$15,000.00 now. Have you made \$13,000.00 to reduce that debt? How did you reduce it? A The expenses this year were just a little less than they were last year. This was my last year, and I did not make as many changes as I would otherwise have done, but I am letting the next man do them, leaving a little of it for him to do.

Q In other words, since you contemplated re- 20
signing and getting out, you did not carry out the usual replacements? A Our expenses in repairs and replacements last year were very heavy and this year light, that is all; next year they will be pretty heavy again. The new headmaster has got to go and put pretty nearly new roofs on a couple of the houses up there. I have left that for him.

Q In other words, you want to keep the build- 30
ings in first-class shape all of the time in order to meet the requirements of the deeds? A Yes.

Q And you have to do that constantly by finding the money to put them up to date? A Yes, sir; according to the income we receive from various sources.

Q When you put on these replacements are they really improvements or are they taking the place of the natural wear and tear of the build- 40
ings? A They are replacements, taking the

John C. Sharpe, direct.

place of the natural wear and tear, and they are improvements inasmuch as we do things better in successive years than we did the years before. Do you wish me to illustrate that?

Q Yes. A We bettered the steam plant, from the boiler house to Locke Hall, carried it
10 from there to Clinton Hall, Locke Hall, Insley Hall; originally they carried it out through pipe in a wooden log, which rotted out and the steam pipe burst. That was in May. We had to do it all over again, and instead of carrying it in a wooden log, we built a tunnel from the boiler house to Locke Hall, carried the pipe through that, in order to make it accessible, if anything goes wrong with it. That is a replacement, but at the same time it is an improvement, and it cost
20 considerable money.

Q In other words, if this property could be sold—it cannot be, of course, under the trustees' deed, but if it could be sold, these replacements, as you call them, which are repairs really, were really only to make the property available for the use it is intended to be used, do they not? A Absolutely.

Q Do they increase, as a matter of fact, the dollars and cents value of the buildings? A If
30 we sold them out, it would not increase it any.

Q It would be simply what is expected to be there, in other words; is that right? A Yes.

Q Now, doctor, you say that no profit has been made during the twenty-nine years you were there. You are positive of that? A Absolutely.

Q You have had an intimate knowledge of the books? A Yes, sir; certainly.

Q You have at all times access and supervision over them? A Yes, I have.
40

John C. Sharpe, direct.

Q Everything had to be reported to you? A Yes, sir.

Q How much, alone, did you pay your teachers, doctor, for instance, last year? What was your school salary list total? A \$55,000.00, and we give them lodging and board, with their families, at the school, at the same time.

10

Q Do you have to do that to get them? A Yes, sir; indeed.

Q Do or do you not have to do that to get them, to give them board and lodging? A I want to answer that a little differently.

Q You may. A We could get teachers, but I must have the teachers in the dormitory, in the school, to give the school proper supervision. I cannot do it by myself. They would like to live outside, but they have to live on the grounds, in order that the students may have proper supervision at all times.

20

The Chairman: What was the salary, say, per teacher, during that time?

Q How many teachers have you? A Well, we had twenty-two on the list. \$55,000.00 divided by 22 would be the average. Got the number there?

30

Mr. Rea: \$2,300.00.

A (Continuing.) And their board besides, I mean, their board and lodging.

Q Do you or do you not suffer from the kind of salaries you pay? I mean, do you get the best at the salaries you pay, or do you have to take just the ordinary teacher that is on the market? A I would not like to say we take the ordinary teachers.

40

John C. Sharpe, direct.

Q I do not mean to interpret it in that way. I mean to put it this way— A We get the best teachers we can for the money available.

Q What I am trying to get at, is the average about what you pay for? Do you pay the market price? A Yes.

10 Q Do you suffer any from other institutions coming and taking your teachers away from you? A We have.

Q Has that been much or little? A Well, those are relative terms. I should say, not much.

Q Not so much. Have your teachers, in other words, appeared to be very loyal for the salaries that are paid to them? A Yes, sir; they are.

20 Q Have they gotten the spirit of the school? Or do some of them lose heart and leave because they can go and get more money at other places? A Yes.

Q You know that to be true? A Why, yes, whenever they have been offered inducements greater than ours.

30 Q They often come to you, do they, and show you letters? A I learn that in other ways, learning it from the schools rather than from them. They do not exhibit their dealings in that way.

Q Well, as head of the institution, have you ever had any of your teachers come to you with the statement that here is such an institution offers me so much money, showing you the letter, and asking you whether or not you could grant them higher pay? A Oh, yes.

40 Q Or whether or not you could not? A Oh, yes; there are teachers—one teacher this year—he did not show me the letter.

John C. Sharpe, direct.

Q Do you, doctor? Answer the question? A Yes, sir; this year.

Q That is a frequent occurrence? A Every year.

Q Every year, is it? A Yes, sir.

Q Yes. A Two within the last two months that I had anyway. 10

Q From your frequent examination of your books, do you or do you not know whether the amount of money paid by a boy, who pays full tuition, board, salary, instruction, everything else—board, eating, heating, laundry, instruction, everything you can think of, for his upkeep—? For instance, if I were a pupil there, and I came there and paid you a thousand dollars, would that represent all the expense I was to cost you during the year, or would it represent a portion of it? A 20
If we regard our property as of any value, and regain entire interest on that, the student's average is 78 per cent. of what they get.

Q In other words, the student gets 22 per cent. more from you than he pays? A Yes, sir.

Q That applies to those that pay and to those that do not pay; that is the average? A Exactly.

Q How many boys have you got there that you are actually helping? A Sixty-six boys receive concessions. 30

Q These concessions are figured in in this? A Amounted to \$24,950.00.

Q In other words, for this number of boys last year, and who were deserving boys, you gave \$24,950.00, which came from the general fund? A Yes, sir. All resident boys in Warren County, and Sussex County, receive a reduction of \$100.00. If your boy comes here, and you are a resident 40

John C. Sharpe, direct.

of Warren County, you receive a gift of \$100.00 on our charge of \$1,000.00.

The Chairman: It has amounted to that much for these two counties; is that right?

The Witness: Yes, sir.

10

Q Now, then, is there any discrimination made? Suppose any of these gentlemen were a clergyman, and they had sons or daughters, under the original deed, what had to happen to those sons and daughters? Suppose Mr. Smith or Mr. Dick or our third member (Mr. Walling) there? A You mean a pastor's boy?

Q Yes. A They receive board and tuition free. If it is a girl, we send her to another school, pay the money out directly to another school. We had six this last year.

20

Q In other words, if a minister has a daughter he has, under the deed, the right to send that daughter to Blair Academy? A Yes, sir.

Q And Blair Academy is not run as a co-educational school, so that Blair would have to take that pupil and put her in an institution which is a school for girls, and you will then pay her tuition there? A Yes, sir; we sent Mr. daughter to Mrs. Fuller's School for Girls, the pastor's daughter right here.

30

The Chairman: You have been doing that right now?

The Witness: Oh, yes. We had as many as six in one year. Fortunately, it doesn't run that way every year.

The Chairman: I was wondering if that is a matter of practice.

40

John C. Sharpe, direct.

Mr. Dumont: They have to do it, because this was given for both sexes, and it was not intended to be otherwise, but in the meantime it was found best to not have a co-educational institution here at Blair, and arrangements were made by the Board of Trustees and Managers to take care of the daughters of ministers in that way, by sending them to a school for girls. 10

The Witness: We actually have to pay out that money. Ministers' sons, of any denomination, or any location, in addition, receive a discount of \$250.00.

Q Well, now, after the fire, to show how new buildings are gotten, I want to show now just how you got, we will say, your last building; Clinton Hall, after the fire, it was not insured for a sufficient amount, was it? A No. 20

Q Now, what happened; how did you get the new Clinton Hall? A In round numbers, we had insurance of \$40,000.00; it was estimated it would cost \$80,000.00 to restore it. Mr. J. Insley Blair gave us the \$40,000. It costs us \$89,000.00. The morning after it was announced, Mr. Essex, by way of illustration, telephoned me that he had a wire from his son, Paul, and his son Paul wished him to pay over a hundred dollars to us from some funds he had. He said, I wish to give you a thousand dollars in addition to that towards the restoration of this building, and the \$9,000.00 were about made up in that way. 30

Q That is, your insurance, Mr. Blair's gift, and voluntary contributions rebuilt Clinton Hall? A Yes, and the refurnishing cost, which was—we regarded it as a replacement—refurnishing came out of the general fund of the school— 40

John C. Sharpe, direct.

Q Yes, how much was that? A A couple of thousand dollars or three thousand dollars.

Q Now, let's go back for a moment; for the day pupils here in Blairstown, or from Belvidere, if they might come by automobile, what do you get out of them per pupil for the year, for the
10 whole year? A Sixty dollars a year.

The Chairman: How much?

The Witness: Sixty dollars a year.

Q So that that would be a cost of how much per week? Your school is in session how many weeks? A Thirty-five.

Q So that that would be a cost of 35 into \$60.-00? A Yes, sir.

20 Q Or a little less than \$2.00 a week? A Yes.

Q Does the day pupil get all of the facilities that the other boy has who pays a thousand? A Except he does not sleep there and eat there.

Q Yes; he has all of the use of the equipment there, is that right, such as the gymnasium and so on? A Yes.

Q Of the boy who pays a \$1,000.00? A Yes, sir.

Q How many day pupils have you there now?
30 A Fifteen, I guess.

Mr. Rae: Fifteen, yes.

Q That number varies, of course? A Yes.

Q They usually come from the vicinity here?
A In the neighborhood.

Q Yes. A That is not enough for what he gets.

Q Yes, all of this proves that, of course, is
40 another source of not getting sufficient income,

John C. Sharpe, direct.

isn't it? That is what you mean? A The tuitions should be higher for day pupils, yes.

Q The boy gets a value of how much for what he pays? A We pay out about \$300.00 for the tuition, \$200.00 in actual money, without counting the supervision, teachers' families, \$200.00 for the tuition of each one without counting the question of heat, light, water, gymnasium facilities, athletic field, etc. 10

Q So that the boy is actually presented with at least \$140.00 beyond what he pays? A Better count that \$300.00.

Q Well, say \$300.00. A \$240.00 beyond what he—

Q —what he pays? A —he pays, gift, over and beyond that, to every boy that comes there.

The Chairman: That applies to every boy? 20

The Witness: Yes.

Q To any boy at all? A Yes, and if he hasn't the money, we take him any way.

Q You mean that, doctor? A No boy in the community has ever been denied the opportunity.

The Chairman: Whether they have money or not? Whether they don't pay, they get two hundred dollars in value; is that the idea? 30

The Witness: Sure, the Methodist minister's boys here have always had it.

Q That doesn't discriminate between any denomination at all? A Absolutely none.

Q So the school is not run as a denominational school? A No. 40

John C. Sharpe, direct.

Q That is, to say, any boy can come, whether Catholic, Protestant, Hebrew or any other? A We are a little careful of Hebrews just now; they multiply too fast.

Q Assume that any boy, I mean, ordinarily — A Yes.

10 Q —regardless of his religion, he can come up— A Yes, sir.

Q —there and receive and get all of the benefits of the school? A Yes.

Q And if he hasn't got the money, you give him a chance anyhow? A Yes, we have never refused anybody.

Q Let me ask you about these summer conferences. What do they do? For instance, the people up here now, that are having conferences
20 in the school. How is that run? Explain that to the Board. A It is called the New Jersey School of Christian Education, and they applied to us for the privilege of the use of our grounds, housing facilities, etc., which we granted to them. We are the housekeepers, the hotel-keepers, so to speak, and we provide them with everything that they need. They conduct their own program, and they pay us at the rate of \$2.00 a day for lodging, board, use of our registration building, gymnasium, athletic fields, and
30 have the same privileges and use of the property that our students during the school year proper have.

Q You get \$2.00 per day per person? A Yes.

Q For the actual days they are there? A Yes.

Q And it would not matter, if you were up here all summer, at that rate. That helps to pay what? A The overhead charges. We have
40

John C. Sharpe, direct.

to keep the roof on the houses in the summer time, pay our insurance, our help, because we have to keep the thing up; we have to take care of our campus, athletic field, throughout the summer time. If we did not, when the fall would come around, it would be grown up with weeds, and would take a considerable time and expense to put them in shape again. 10

Q Then whatever profit, if any, you can make out of them by charging them \$2.00 a day for three meals and all of the benefits they get there, are used for the overhead expense in maintaining the school? A For maintaining the school, replacements—

Q Yes? A Replacements and all else.

Q Or anything they may damage due to their being there, or the boys? A Yes. 20

Q Now, you have just said that these parties themselves run their own convention, conference, or program, whatever it may be. By that you mean just what? A Well, they have their religious services, conducted by leaders which they bring there, people of high standing in their profession, and classes just now on methods. They are conducting two literary schools in the town and have had the school children from the neighborhood attend the school they are conducting down at the Presbyterian Church and the Methodist Church. It is conducted for the benefit of the children, for literary practice, so that those who are studying may observe their methods. It is a sort of a model school. The town gets the benefit of that, and the town appreciates it very, very highly. 30

Q In other words, all of the program that these people conduct here has really nothing to do with the school? A No. 40

John C. Sharpe, direct.

Q And the school itself does not conduct anything here in connection with that conference? A Except we provide the facilities for them, and they carry out their own program, very much like as a teacher during the school day.

Q Well, the Blair faculty are not engaged in
10 teaching any of them? A No, except one man stays here to help me guide it and direct it. It really runs itself.

Q Well that is supervision of all those people being here, but no man is employed by Blair as a director— A No.

Q —or in any way employed by these parties? A No.

Q What can you say, in brief, as to the salaries which you pay here as compared with
20 other schools? A I think I can speak rather favorably, not as much as some pay, more than some others pay.

Q Do you get the best that is obtainable on what you are able to pay? A Yes, sir.

Q Now, doctor, if the Board found, as a matter of fact, that this school should be taxed, and you were compelled to pay the tax that is handed you, the taxbill that is handed you for this year, and which you gave to the Board of
30 Trustees, where would you get the funds to pay the \$40,000.00 tax? A I suppose we would borrow that, and have that much more deficit, unless—

Q Eventually, what would it lead to? Could or could not the school operate? A The school could not operate.

Q Where would you have to get this \$40,000.00? A I do not know.

Q Well, would it be, if you got it at all, by
40 voluntary contributions? A Oh, yes. Unless

John C. Sharpe, direct.

we reduced our scale of operation, gave them less food or poorer food, lowered the salaries of the teachers, lowered the salaries of the janitors and the help, in the summer.

Q There would have to be readjustments all along the line? A It would be a ruinous adjustment. 10

Q Well, it would injure the school, would it not? A It certainly would, unless somebody would come forward to pay it.

Q And there is no possible way that you know of, except by voluntary contributions, that such tax could be paid; is that right? A Not without allowing the school to deteriorate so that it would go down and down and it would not be worth anything.

Q Then you would not be fulfilling the conditions of the trust, would you? A Absolutely not; we are required to maintain a school of high standard, and we have tried to maintain the best school we could at the lowest possible rate. 20

Q When a boy applies to you from any state, or any town in this state, or any state in the United States, comes here and he makes the situation clear to you and he shows that he cannot come here unless certain reductions are made, how much consideration is given to such a request, and how do you meet it, if you can? 30

A There are four conditions; first, the boy must be of sufficient mentality and ability, combined with industry, to give promise of an attainment of a reasonable standing in the school; he must be of a character which would make him a good acquisition in the school; he must show that he cannot otherwise go to school, unless he had assistance; last and least important, he must render any service that we ask. That service 40

John C. Sharpe, direct.

10 that a boy can render is a very minor thing, stay in the waiting room and run errands, something like that. That \$24,950.00 I gave here would mean a force of secretaries. I could for \$2,000.00 a year get all of the assistance they can render me. But when they do that, it helps

10 them to maintain their self-respect, and they are very glad to do something to show their appreciation, which results in that I have had to do a great deal of work by child labor. I did the work and they got the credit of the service, and the boys have done the best they could, but they are of very little use in reality.

Q Such boys have turned out to be a credit to the school, have they, doctor? A Yes, very often.

20 Q Doctor, such boys usually prove good, do they not? A Oh, yes.

Q And make your best pupils? A Some wonderful fellows.

The Chairman: In other words, they are working their way through?

30 The Witness: They call it "working their way through," but they cannot work, their work is not of any value. I have to send them out for exercise after school. It is only on odd jobs that they can help.

The Chairman: But that is the term generally used, is it not?

The Witness: Yes, but it is usually working the school or working the principal.

Q But they are deserving boys? A Surely.

40 Q Those that you can, you take them in to give them the opportunity? A Yes.

John C. Sharpe, cross.

Mr. Dumont: I think that is all.

The Chairman: Now, Mr. Rosecranz, any cross examination?

Mr. Rosecranz: Yes.

Cross examination by Mr. Rosecranz.

10

Q These boys, doctor, that make their way through, that you partially support, are they usually boys who have special athletic ability?

A No.

Q Well, do you make reductions for boys who have a special athletic ability? A Absolutely not.

Q Whenever it is necessary, do you do it?

A No.

Q Don't you ever do it? A No, that is not taken into account by us. Shall I explain the matter? 20

Mr. Dumont: Yes, go ahead.

A (Continuing.) If he is too active in taking part in athletics, he is not living the spirit of the school, doing what he can. Oh, no, very few of them,—very few of the 66 took any signal part in athletics; but everybody has to do something, understand, whether he pays or doesn't pay. 30

Q Well, some of the boys who are taking an active part in athletics, aren't they among those who do not pay the full tuition fee? A Some are, some are not. But they are not taken on that account. I get a great many letters, asking me if we have any athletic scholarships. Some schools must have them or that question would not be asked. I always answer the letter by saying, no. 40

John C. Sharpe, cross.

Q But, as a matter of fact, there are out of those 66 pupils up here at Blair Academy that signally play in athletics, who get a reduction in their tuition? A Yes, we do not discriminate against them, but we do not favor them.

10 Q Well, you like to have a good team, don't you? A Oh, yes.

Q A winning team? A The best team that we can get.

Q It is a credit to the school? A Yes, sir; and we usually have it, too.

Q You try to get good athletes? A We do not ask them to come because they are athletes at all; we do not ask anybody to come, as far as that is concerned, excepting through our advertisements.

20 Q These three deeds introduced here, containing about eleven or twelve acres, I believe, are they the only deeds to the school property? A Oh, no. Those are deeds to the property on which the school buildings stand, and the property which is in question now.

30 Q What other property does the school own besides the eleven acres or—? A Well, we own the property at Paulina where our laundry is situated and where the large pump is supplying the water; we own this mill that is in use down here and the—; we had to buy the mill to protect the things which are to come later. That was paid for by Mr. D. C. Blair. We own the farm, paid for by Mr. D. C. Blair, which use has been explained.

40 Q How many acres in the campus, so called? A The land has been purchased in small pieces around-about, largely for protection of the campus, and never was surveyed, but my estimate is that we have about 300 acres, all told, and

John C. Sharpe, cross.

the athletic field, grounds on which the buildings stand, occupy approximately fifty acres. We pay tax on all of the rest.

Q Well, don't you advertise in the catalog that you have about a hundred acres for school purposes, used for a campus? A We count the hills back there as campus. They can use the whole three hundred acres, if they wish. It has a dairy farm use, it is largely in grass, and there is a great deal of woods on it. That is only a general statement. 10

Q Well, you do advertise that you have about a hundred acres in a campus? A Oh, yes; I am speaking conservatively in answer to your question.

Q No, I mean, what do you advertise that you have in the campus? A Well, we say a hundred acres; I might correct my statement to say a hundred acres instead of fifty acres. I am trying to be as exact as I can, if that is any point. 20

Q To whom are these other deeds, for the balance of the acreage, over the eleven or twelve acres represented by the deeds introduced, made out? A Made out to the Board of Directors appointed by the Presbytery of Newton. 30

Q Have you the deeds for those? A Yes.

Q Will you produce those? A Sure.

Q Are they up at the school? A I think nearly all of them. Occasionally somebody borrows a deed for some purpose, to study it.

Q Well, will you produce those? A Surely.

Q Now, the school itself is not incorporated, as I understand you to say? A No.

Q The Presbytery of Newton is incorporated? A Yes, sir. 40

John C. Sharpe, cross.

Q In what state is it incorporated? A I assume in New Jersey.

Mr. Dumont: New Jersey. We haven't that certificate here, but we can get it. It is a well known fact, however.

10 Mr. Rosecranz I couldn't find it.

Mr. Dumont: Where did you look for it, Warren County?

Mr. Rosecranz: Sussex, I should think, if it is in Newton. * * * I was down to the Secretary of State's office, to have them search there, but they couldn't find anything.

20 Mr. Dumont: How long back did you search? I think you will find these records of the churches run back further than some things they have got at Trenton.

(Continued discussion.)

Q The deed to the property, according to the trust deeds, is in trustees, isn't it? A Yes, sir.

(Continued discussion.)

30 Q These particular deeds are to trustees, aren't they? A Yes, appointed by the Presbytery.

Q The title is in the trustees, isn't it? A Yes.

Mr. Dumont: It says, for and on behalf of the Presbytery of Newton.

40 Q The deed is in trust for the uses and purposes described in them? A Yes, and their successors.

John C. Sharpe, cross.

Q Yes, and their successors as trustees? A
(No answer.)

Q So therefore the title to the property itself is in trustees, and the method of appointment of trustees is—

Mr. Dumont: Fixed in the trust deeds conveying the property. 10

Q —fixed in the deed, and the appointment of the successors to the original trustee is by the Presbytery of Newton, is that correct? A Yes, sir.

Q So that the title is not in the Presbytery of Newton but the appointment of successors to the trustees is placed in the Presbytery of Newton? A Yes, sir; they appoint the trustees. 20

Q The title is in trustees?

Mr. Rosecranz: The deeds speak for themselves.

Mr. Rosecranz: I am trying to explain that.

The Chairman: The point that you are trying to get at is that the institution is not incorporated, as far as you know. 30

Mr. Rosecranz: I am trying to find in whom the title is vested, as I understand the title is vested. I am not arguing this now, but I wanted to bring that out.

Q Have you a copy of the audits for the past several years made by the school? A I will have records made of them.

Q Well, you have audits made each year? A Yes, to determine the correctness of the accounts. 40

John C. Sharpe, cross.

Q In whose possession are the audits? A
They are sent to the Board of Directors.

10 Mr. Dumont: They have been burned up.
They did not leave the school. They have
all been burned up, as I told you, prior to
this fire.

Mr. Rosecranz: I know, but I mean sub-
sequent to the fire, after the fire.

The Witness: Made for the benefit of the
directors.

Q Will you produce those audits? A I do
not know whether I can, or not.

20 Mr. Dumont: We will produce the origi-
nal books. That is far better than the
audits. The Board can designate anyone
they may choose to make the audit, if they
wish.

Mr. Rosecranz: Do you object to pro-
ducing the audits?

30 Mr. Dumont. I cannot guarantee the
audits. I can guarantee the books from
which audits could be made, so that if the
Board wanted to designate anybody that
it wishes, and they can go over the records
to the fullest extent. It is not a very difficult
thing to do, is it, Mr. Rea?

Mr. Rea: No.

Mr. Dumont: You have got all of the
records back to the date of the first, you
know, as I stated prior to—or after 1922.

Mr. Rea: August 1, 1922.

40 Q What did you pay for last year's audit?
A I do not know.

John C. Sharpe, cross.

Mr. Rosecranz: I object to that; I do not see how that is material.

(Extended discussion.)

Q Have the audits since the fire been destroyed? A Not that I know of.

Q Where are they at? A I do not have them; they are sent to the Board of Directors. 10

Q Who is the Secretary of the Board of Directors? A Dr. Vail.

Q He is here? A Yes.

Q Have you those figures again that you were talking about? A What figures?

Q In regard to the loans.

The Chairman: You had a little slip.

Mr. Dumont: You had a little slip with the list of loans on it. 20

Q Loans, etc.

Mr. Dumont: I would like it clearly understood, gentlemen, right here, that anything that you wish to go into in detail is at your disposal. That is the reason I spoke as I did.

30

A You can look at that (producing paper).

Q From what figures did you get these?

A From the books.

Q Did you get it from the books? A No, sir; from the accountant; that was the amount of money borrowed on those dates.

Q When was the fire, doctor? A Eighth of December, 1922.

Q At that time there was loans to the school. How much did the school contribute to the re- 40

John C. Sharpe, cross.

furnishing and rebuilding of this Clinton Hall that was not contributed by Mr. Blair and received from the fire insurance? A And others?

Q Yes. A Oh, about from four or five thousand dollars in furniture.

Q That came out of the general school fund?

10 A Yes.

Q Or receipts, what you had left over? A That was new furniture instead of old furniture that was burnt up, some of it had been in use twenty years or more.

Q Last year you built the dormitory named by the boys "_____"? A Yes.

Q What is the official name for that? A East Hall.

Q What did that cost? A About \$48,000.00.

20 Q Where did you get the money to build that? A Recognized there, part of it is not paid for yet.

Q Is that partly represented by the loans? A Yes, sir.

Q Where did you get the balance of the money? A From proceeds, endowments.

Q Proceeds, general fund of the school? A General fund, yes.

Q That was built last year? A 1926, yes.

30 Q When was the work done on this East Hall—principally done? A The summer of 1926; part of it is charged into the accounts of 1925, part of it 1926. I should say, August 1st came just about in the midst of the operation; part of 1925 deficit is from East Hall, part of it in 1926, about half and half.

Q Was there anything spent on East Hall prior to August 1925? A Recently?

40 Q No, prior to August 1925? A Oh, yes; ten thousand dollars spent on it at one time, to go to the Blair Brothers.

John C. Sharpe, cross.

Q Yes, but I mean in this recent rebuilding of East Hall. A We began that in 1926.

Q So that the expenses for East Hall were not taken out of the fund until 1926? A It would come out of the year 1925, '26, 1926, 1927; our fiscal year begins at the 1st of August.

Q Yes? A And the building was about—was 10
partially done at August 1st, so some of that went into the year previous, and some into this year.

Q What part was done before August 1, 1926?

A I couldn't tell you; we were in the process of building from the foundation up to the roof. We were working on it, beginning on the 9th of June, and had nearly completed it on the 20th of September. I cannot tell you where we were.

Q Were most of the replacements taken out 20
after August 1, 1926, on the building? A I couldn't tell you that. You can get that from reference to the books, I suppose, about half, something like that,—more than half perhaps.

Q More than half was taken out after September 1926? A Perhaps.

Q What was the completed cost? A \$48,000.00

Q On August 1, 1926, you say your bank loans were \$28,000.00? A Yes, sir; you have it there. 30

Q Yes. A It is just as I got it from the accountant.

Q How much money did you have in the bank then? A What is that?

Q How much money did you have in the bank then, on deposit? A Oh, none. We never have any money in the bank. When we borrow it, we borrow it as we have to borrow it. Why should you borrow money and keep it in the bank? 40

John C. Sharpe, cross.

Q Didn't you have any balance in the bank at all? A He might have it.

Mr. Rea: Not over a thousand dollars.

10 A (Continuing.) We might have a small account. I cannot make it come out even every time; I do as nearly as possible.

Q July 1, 1927, your loans were \$9,000.00? A No, sir; I added an item there. He will let you see.

Q Oh, a mortgage, which has to be added? A Yes.

Q Which you owe? A We have to add that mortgage, but I just forgot it.

Q Well, that mortgage then was in effect in 1926, too, wasn't it? A Yes.

20 Q So that in 1926, it could have been added to the \$28,000.00 as well, could it? A I don't know whether it was added in, or not; I cannot tell you that.

Q Well, do these figures represent bank loans? A Yes, yes, right.

Q In 1926 you have here \$28,000.00? A Yes; then the mortgage was not added there; I guess we forgot that.

30 Q So then if the mortgage had been added, it would have been \$34,000.00? A Yes.

Q In 1927 it was \$15,000.00? A Yes.

Q So there was a difference of \$19,000.00 lower than that of August previous? A Whatever it is, we have to pay for it.

Q Is that correct? A You have the paper.

Q Then, in addition to that, you spent in those two years about forty some thousand dollars for East Hall? A Yes.

40 Q And reduced the loans approximately \$19,000.00? A Yes; those are two years.

John C. Sharpe, cross.

Q What building was erected in the year previous to East Hall? A Clinton Hall.

Q When was the development of the old barn?
A Yes, sir; when we had the fire, we had to change the barn into a recitation room, put a lot of money in that, but that did not add anything to the value of the property at all; that is a clear loss. 10

Q Where did the money come from to improve the barn? Did that come out of the general fund? A Out of the general fund, yes; we had to have a recitation building in order to have school, we had to figure a way to take care of the classes.

Q How much did that cost? A About \$2,900.00, to charge it off to school purposes.

Q Is West Hall the building near the gymnasium? A Yes. 20

Q When was that built? A About 1912.

Q Where was the money received to build that? Was that out of the general fund? A That was carried as a sad debt for many years until I could reduce it from such funds as came to me, on my own responsibility.

Q Was that paid for out of general fund principally? A From the fund and gifts; I cannot discriminate there at all. 30

Q Well, were there any considerable gifts?
A No.

Q It was mostly out of the general fund? A Mostly, I suppose; I cannot go back that far.

Q Well, to the best of your recollection? A Yes, it was, with minor gifts.

Q Now, in regard to the conferences, how many children did you have there last year all told? A There were perhaps two thousand people there, I don't know; 1,800 or 2,000. 40

John C. Sharpe, cross.

Q That is during the previous year, this last summer? A Yes.

Q 1926? A Yes.

Q If you hadn't these conferences, you would have had to operate the school, that is retain most of the help anyway, wouldn't you? A
10 Oh, a good many of them; yes.

Q Because you cannot lay them off during the summer; that is overhead, isn't it? A Yes. They are very glad to find employment during the summer.

Q The laundry which you operate at Paulina— A Yes, sir.

Q —do you allow laundry from town or anyone else to be sent there, and the public generally? A Yes, for an accommodation; they
20 have asked us too often.

Q Do you charge for that service? A Yes, we do not wash clothes for nothing.

Q Does that go into the general fund— A Yes.

Q —of the school? A Yes.

Q You cut ice on Blair Lake in the winter time? A Yes.

Q Do you sell part of that ice? A We distribute it about at cost to the people for an
30 accommodation.

Q What do you charge for that? A Sixty-five cents a ton delivered on the platform.

Q The public comes there and takes it from the platform on their trucks? A Yes.

Q Where does the money go that is received for the ice? Into the general fund of the school?

A To help pay for the upkeep of the tools we use and the labor that we employ at the time. Those men have to be paid. Buy new tools,
40 and so on.

John C. Sharpe, cross.

Q Does that go into the general fund of the school? A Just as the expense comes out of the general fund, the receipts they go into the general fund; we do not make any distinct account of it.

Q How much rent will you receive from the farm? A \$600.00. 10

Q Per year? A Yes, sir.

Q Do you receive anything else from the farm by way of rent? A No.

The Chairman: Is that farm taxed?

The Witness: Yes.

Mr. Dumont: We pay taxes on that.

Q What are the taxes on the farm? A I do not know. 20

Mr. Dumont: The bookkeeper will tell you that.

The Chairman: The assessor is here, isn't he?

A (Continuing.) The assessor ought to be able to answer that. It is assessed for about \$9,000.00, I think. 30

The Witness: I want to say a word about that ice business, if I may.

The Chairman: You may.

The Witness: When we built the lake, the people wanted to have ice from it. I said, "Certainly, help yourself." Every school boy came and complained that one man "hogged the ice." I said, "It is up to you fellows, you own it, you manage it; it is up to you." The next year I said, "You come 40

John C. Sharpe, cross.

and cut the ice and put it down over the chute," so they agreed to that, and we finally decided that the only proper way to handle the ice was to cut the ice ourselves and charge them 65 cents a ton, placed on the platform, which will not any more than pay
 10 the expense of the tools, upkeep, and so on.

Q Well, does the school cut the ice from this same pond? A Yes, sir.

Q When did you first establish the rate of 65 cents or charge for the ice? A Oh,, I do not know; it used to be more than that; I cannot tell you.

Q Well, a good many years ago? A Oh, yes; three or four years ago, perhaps, the rate
 20 was a dollar a ton.

Q I mean, you have been charging for this, for ten or fifteen years, haven't you, for the ice? A Yes.

Q So that it has not been of recent origin? A No.

Q Only the change of rate? A Only we made the rate lower; when we found out we could do it, we accommodated the people at a lower rate. We used to charge a dollar, I remember.
 30

Mr. Rosencranz : Have you got the field tax list here, Joe?

Mr. Dugan: Yes, what do you want?

Mr. Rosecranz: On the farm, the amount of money—current taxes?

Mr. Dugan: On the farm?

Mr. Rosecranz: Yes.

40 Mr. Dugan: \$9,000.00 is the land.

Joseph A. Dugan, direct.

Mr. Rosecranz: What is the amount of money, it was, about?

Mr. Dugan: \$9,000.00.

Mr. Rosecranz: That is, the tax assessment is a little over two hundred dollars?

Mr. Dugan: Yes, \$244.80. 10

The Chairman: I would like to have the assessor for a minute.

Mr. Rosecranz: Very well. I may continue the cross examination of Dr. Sharpe later?

The Chairman: Oh, yes.

(Witness withdrawn.)

20

JOSEPH A. DUGAN, produced as a witness on behalf of the Township, having been first duly sworn, was examined by the Chairman, and testified as follows:

Q Now, this farm, how many acres are there in that, which you have assessed here? A My own lists calls for—

Q State all of the things you have assessed at the Blair school. A Well, I have the farm; that is what you want now. 30

Q What is the farm now? A 149 acres.

Q At how much per acre? A \$9,000.00. I have the Bonnell house for \$4,000.00.

By Mr. Dumont.

Q Where is the Bonnell house? A Right here where Mr. Bonnell used to live; I guess they call it their infirmary, now, don't you? 40

Joseph A. Dugan, direct.

Q It is used for an infirmary. That pays taxes? A Yes, sir; assessed for \$4,000.00. I have Brown's house, right this side of it,—

By the Chairman.

10 Q What is your average acreage assessed at in Blair Township? A Well, take it down through this flat, from fifty to sixty dollars.

Q You are assessing it at about the same average that the others are? A Yes, according to their buildings.

Q What other assessments than the infirmary? A Then we come to the Brown's house, \$4,000.00.

20 *By Mr. Rosecranz.*

Q What is that used for? A It was a dormitory, but it will be used as a teacher's residence. Then, they have the old parsonage up here; that is assessed for \$2,500.00.

Q Who lives in that? A I don't know, I don't believe—that has been used for school purposes, it shouldn't be assessed in accordance with the rest of it, but we have never raised any question.

30 Q That has been used for school purposes, too? A Oh, yes, since 1916.

Q Now, this property has not been assessed heretofore? A Yes, sir; this property has.

Q This property in controversy now, that has been assessed before, has it? A Not the Hall, no; not the school part of it.

Q What is it assessed for now?

40 Mr. Dumont: \$930,000.00.

Joseph A. Dugan, cross.

Q How did you get at that assessment? A I was instructed to do it by the Township Committee, and they had some great man here to look over it, that gave me what he thought it would be worth.

A Voice: Who was the tax man?

10

The Witness: I don't know; they told me that.

Q Then you did that by instruction from the Township Committee? A Yes, sir.

Mr. Rosecranz: And he made the assessment?

The Witness: Well, in a way.

Mr. Rosecranz: You didn't assess it?

20

The Witness: In a way, yes.

Q These properties that are assessed, they are just about assessed equally with the other properties? A Yes.

Mr. Dumont: May I ask him a question or two?

The Chairman: Yes.

30

Cross examination by Mr. Dumont.

Q Did you inspect these buildings to make your assessment on them? A Oh, yes,—

Q That is an answer to my question. For instance, what did you assess Clinton Hall?

The Chairman: He has got them all listed there; he says that was by instructions.

40

Joseph A. Dugan, cross.

Mr. Rosecranz: Have you any objection to the amount of the tax?

Mr. Dumont: Certainly.

10 Mr. Rosecranz: I mean, is there any appeal from the amount of the tax? I did not understand that to be the appeal. If there is any question on the amount, I would have gone into that.

The Chairman: No, there is no question on that. That will do, Mr. Assessor.

20 Mr. Dumont: We want it distinctly understood that we are appealing here on a special proposition. We thought the Board would bring out this question of analysis of the taxes, just as you had just now, and I wanted to cross examine him on account of a situation that developed there.

The Chairman: What I am trying to get is where did this assessment come from, on what property it is, and in what way he made this assessment.

Mr. Dumont: Yes.

The Chairman: That is what I am trying to get at.

Mr. Dumont: I thought so, yes.

30 The Chairman: If you want to ask him any questions on that, you can ask him.

Mr. Dumont: I simply wanted to ask him whether in reaching this assessment, whether he had done it entirely upon instructions or whether he himself knew anything about the values of these buildings.

Mr. Rosecranz: I haven't any objection to his testifying to that.

40 The Chairman: The question is, your appeal doesn't read for a reduction.

Joseph A. Dugan, cross.

Mr. Dumont: The appeal raises objection to the whole assessment, naturally, and the Board has brought that out, as you may, under the practice.

The Chairman: The appeal reads for cancellation, doesn't it? 10

Mr. Dumont: Yes, and under the rulings you can bring that out. I do not care, you can ask him about it. I would prefer that you do.

The Chairman: Can you bring in any question as to the legality of the whole assessment, according to this?

Mr. Rosecranz: You are the County Board of Taxation.

Mr. Dumont: Your rights are not limited; they are unlimited. 20

Mr. Rosecranz: Is there question on the value of the land?

Mr. Dumont: If these buildings were put up for sale if this situation forced Blair Hall to discontinue, I can say to you truthfully and without any bluffing about it,—if this appeal is not sustained and the tax assessment stands, you will have no Blair Hall here. That is not a threat. It is a fact. There is no place you could collect when we haven't got the money. 30

The Chairman: The idea is this, we want to find out how this assessment was made.

By the Chairman.

Q Was this assessment made as a whole? A Yes, sir. 40

Joseph A. Dugan, cross.

Q Or building by building? A To cover the whole question, because it was all on one lot, on one parcel of land.

10 Q There isn't any specific assessment on any one building? A No, sir, if I would to do that I would have to do it as a farm, list all of the buildings, so much for the barn, so much for the corn cribs, and so on.

Q That is what you are supposed to do. A That is what we are supposed to do, but we didn't.

20 Mr. Rosecranz: Supposed to inspect and make it on each building. He admits he come in here and didn't make his assessment on any one building, but took it at a lump figure.

Mr. Rosecranz: I would like to examine him.

The Chairman: You may.

By Mr. Rosecranz.

Q Are you acquainted with the buildings? You are acquainted with the buildings? A Yes.

30 Q Did you make any inspection of those buildings? A Not any more than I always have ever since I was a boy; I have noticed the buildings.

Q Are you acquainted with the campus up there? A Yes.

Q Know about how many acres there are in the campus? A Well, I never saw it surveyed, but I know they advertise a hundred.

40 Q How many acres in your assessment is there? A Well, I have a hundred.

Joseph A. Dugan, cross.

Mr. Rosecranz: There is no question about that.

Mr. Dumont: Why, there is a question about that. These buildings don't cover the whole campus.

By Mr. Rosecranz.

10

Q You do not know how much of that the buildings are on, do you? Or, did you? A No.

Q You do not know whether it is two acres or two and a half, or what it is? A No.

Mr. Rosecranz: Any question about the buildings being within five acres? That is what we want the Board to have, we want to show to the Board, to bring that out. Or do you agree to that? 20

Mr. Rosecranz: You are appealing, you know.

The Chairman: If there is no objection, we will adjourn for dinner, and be back here at half-past one.

(Noon recess.)

July 9, 1927; 1:30 P. M.

30

JOSEPH A. DUGAN, resumes stand for further

Cross examination by Mr. Dumont.

Q In your field book here, have you the acreage? A Yes, sir.

Q Will you just show me where the assessment is in the field book? A In a special column by itself, the number of acres. 40

Joseph A. Dugan, cross.

Q Yes. A (Indicating).

Q Now, do you know how many acres that are upon which these buildings stand? A No.

Q Will you swear it was more than five? A No.

10 Q Do you believe it is five? A Where the buildings are?

Q Yes. A Oh, yes; I would think so; Oh, yes.

Q You believe it is five; how much do you believe it is? A Just where the buildings are?

Q Just where the buildings are that are used for the purpose of the school. A I would say, if it was cut out in a square block that it would be eighteen or nineteen acres.

20 Q You would? A Yes.

The Chairman: Is there a map of the buildings or the school here?

Mr. Dumont: No. We were going to ask you to inspect it this afternoon, if you want to, the layout up there.

The Chairman: I thought there might be offered a map of the acreage, where the buildings are on it.

30 Mr. Dumont: Where the buildings are on, I do not know, but it would not cover more than a five acre curtilage. I make that statement. All other acreage we pay on. In other words, this hundred acres we advertise for a campus might just as well be three hundred acres, because they bought the farm for the use of it, pay taxes on it, and there is no objection to any boy going to any part of the farm he pleases, as they do do. That statement is simply a mere

40

Joseph A. Dugan, cross.

statement of the facilities the boy gets being around the place, but our statement shows that the buildings themselves cover about five acres, no more. Dr. Sharpe said less than that. He is positive of it and he knows, although I would not argue that myself from personal knowledge. * * * 10
We say the buildings are within the five acres, as under section 4; they are exempt on five acres. The assessment says there is a total valuation there of \$900,000 on the buildings.

Q May I ask you to repeat what you said when you spoke of your instructions? A I said I had been instructed by the—

Q By whom? A By the Township Committee. 20

Q At a meeting? A Yes.

Q To do what? A To assess Blair Academy.

Q Who were present at that meeting? A Michael Carroll, Frank _____, or John _____.

Mr. Rosecranz: This has no more relevancy than the questions I asked a while ago. 30

A (Continuing.) The committee was there.

Mr. Rosecranz: I do not object, but it has no more relevancy than the questions I asked.

A (Continuing.) And the Town Clerk.

The Chairman: Well, that is the point I wanted to bring out, if the Board instructed him. 40

Joseph A. Dugan, cross.

Mr. Dumont: That is just what I wanted to bring out for the purpose of the record.

Q You worked according to instructions? A No, their suggestions.

10 Q Just what do you mean? A They did not furnish the figures. They only said that they had been informed that such schools were taxable, and I should tax them.

Q You yourself furnished the figures? A Yes, sir.

20 Q Where did you get the figures? A Well, I had talked with people that had build buildings such as them; I looked it up afterwards. I had sufficient time—this meeting was in September, and I didn't finish my books, because we assess on the 1st of October, but I didn't finish my books until along in December, so that at that time I saw different people, big contractors, and I kind of struck my own figures.

Q Where did you get your exact figures, in round numbers, of \$5,000.00 on the land? Was there any land around here that you charged at a thousand an acre? A It is not a thousand an acre.

30 Q You have got \$5,000.00 on the land? Where did you get that, from your mind? A One hundred acres, that is \$50.00 an acre.

Q 100 acres, that is what you assessed it on? A Yes.

Q Where did you get your figures on the buildings, amounting to about \$900,000? A I saw the big stone buildings on them, and I thought surely they were worth—

40 Q No, we only want to see your record; we do not want your thoughts. A Record of my thoughts—

Joseph A. Dugan, cross.

Q No, no; what figures did you take for each building that gave you a value here of \$895,000.00? A I didn't assess each building separately.

Q You did not? A No.

Q You didn't visit each building then? A Oh, yes; I visited each building; oh, yes. 10

Q Pardon me, just a moment. Let me finish my question. I want to hurry on, and so does the Board and all of the rest of us. You took a general valuation of \$895,000.00, did you? A Yes, sir.

Q You did not go through the buildings to ascertain your figures, but took a total from your conversations with other people? A I had been through the buildings; I helped to build them. 20

Q How long ago? A I worked on the big building there sometime ago, I don't know one name from the other, thirty—

Dr. Sharpe: Locke Hall.

The Chairman: Dr. Sharpe, I do not like to interrupt, but I do not want everybody to speak to the witness.

A Continuing.) —to thirty-five years ago, I think,—about that. 30

Q How lately have you been in the buildings up there, Mr. Dugan? A Oh, last summer.

Q Were you all through all of the buildings? A I suppose so.

Q How much did you estimate on each building that would lead you to get a total valuation of \$895,000.00? A I didn't view the inside much lately, but the outside—

Q Well, did you, according to law look into each building, put down your assessment for 40

Joseph A. Dugan, cross.

that building, and go through every other building on the place, and then add your assessments for all the buildings, so that you got your total of \$895,000.00? A No, sir; I never read such law.

10 Q You have got to, in order to properly assess and perform your duties, to inspect the property, haven't you? A My law, so far as I have read it, says "he shall investigate and duly satisfy himself."

Q Can you satisfy yourself about the value of a building without going in it? A You do not need to go into it every time you write your book.

20 Q Don't you feel that, as an assessor, every time you make the assessment for each year, you should go in a place and look it over? A I do not.

Q You do not feel that that is what you are supposed to do under the law? A No, sir; or you would never get done.

30 Q You just take, in most cases, the assessment for the year previous, if there is any, and let it stand? A No, if there is any improvements on the property; I look them over generally. Then afterward, why I try to figure off, if they have painted a little this year, that that will figure off what the building depreciated last year.

Q Mr. Dugan, may I ask you this? I want to make it in one question, and one answer. Did you make up the assessment, first by an inspection of all of these buildings, fixing a valuation upon them, according to your judgment, and then added them up, totalled them? A No, sir.

40 Q How, then, did you get the figure of \$895,000.00? A From my own good judgment; I

Joseph A. Dugan, cross.

thought I was quite a good judge of brick buildings.

Q So that that is all the Board has before them now— A Yes, sir.

Q —your own good judgment, that you figured that \$895,000.00 was the value of these buildings? A Yes, sir. 10

Q Where did you consult to get that valuation? A Nobody.

Q Just fixed it without going into the buildings yourself, did you; that is all? A Without going in, and I think I fixed this just about right.

Q I didn't ask you that. I asked you whether you did it without making separate figures for all the buildings? A Yes.

Q Just took the total figure of \$895,000.00? A I didn't fix no separate figures. 20

Q How did you arrive at your personal valuation of \$30,000.00? A I had been in, and I knew that there wasn't much in the boys' bedrooms but dressers and beds and part of them were built in years ago, and I estimated that where there are three or four hundred boys that there was about so many dishes and so on.

Q Now, then, you made that assessment, as I understood you, without going in to inspect the property in each of the buildings? A Yes, sir; without counting the dishes. 30

Q You made that figure as \$30,000.00? A Yes.

Q Do you know, as a matter of fact, what personal property there is in the building? A Not all; no, sir.

Q Not all, but are you positive that you made it within the law, so that the \$30,000.00 represents the fair value? A Yes, sir. 40

Joseph A. Dugan, cross.

Q What makes you positive of that? A My law says if it is too high, they can take an appeal, but, of course, if it was not too high take an appeal.

Q You just simply guessed at it? A Yes.

Q Your valuation on the buildings was a
10 guess, was it not? A Yes; I cannot hire an expert to do it for me.

Mr. Dumont: That is all.

By Mr. Rosecranz.

Q You made a guess according to your best judgment? A Yes, sir; to the best of my ability, my book says in the back of the book.

Q Did you give any thought to the assess-
20 ment of these various buildings up there? A Oh, yes.

Q Did you, in your mind, figure up each building? A Yes; some of them were new, some were older.

Q Did you, in your mind, figure up the approximate value of each building? A Yes, sir.

Q In your addition? A Yes, sir.

Q And the total that you arrived at is what
30 you would consider to be a fair value, to the best of your judgment? A Yes, sir.

Q Is that equally true of the personal property? A Yes, sir.

Q And the real estate? A Huh-huh.

Mr. Rosecranz: That is all.

By Mr. Dumont.

Q Where are the figures that you figured
40 this out on, the additions? A In my mind, I did that.

John C. Sharpe—recalled—cross.

Q In your mind? A In my mind.

Q So that all of the figures you have got are in your mind? A On that one special assessment.

Q On this special assessment? A Yes.

Q You have no figures of any kind to which you can refer that would lead to this Board have accurate knowledge upon which you founded this assessment? A No, sir. 10

Mr. Dumont: That is all.

Mr. Rosecranz: That is all.

JOHN C. SHARPE, recalled for continued 20
Cross examination by Mr. Rosecranz.

Q While we are on the value of buildings, what is your fire insurance up there on the buildings? A I cannot tell you; you can go to the books, or my secretary can do that.

Q Who has knowledge then of the amount of fire insurance carried? A The secretary; it is all in the books. We have it all recorded, and we could refer to them, but I do not carry them in my mind. 30

Q Can you look at the books and get it? A The amount?

Q Yes.

Mr. Rea: The amount?

The Witness: Yes.

Mr. Rea: The total amount, I can find out, gives the amount on each building, that is in this book. 40

John C. Sharpe—recalled—cross.

The Witness: The total amount—

Mr. Rea: I cannot give you the total amount now.

The Chairman: Is this man going to give evidence?

10 The Witness: He is going to testify.

Mr. Rosecranz: I will finish with the doctor.

The Chairman: If this man is going to give evidence now, we want to find out facts. Please raise your right hand.

(Mr. Rea was thereupon duly sworn, on oath, by the Chairman.)

20 Mr. Dumont: Now, doctor, if you do not know, just refer to the bookkeeper, and when he is on the stand, he can ask him, instead of your asking him the questions; just say you do not know.

The Witness: I do not know.

Mr. Dumont: And the bookkeeper does; that will be the best and easiest way to get that.

The Witness: I do not know.

30 Q I show you a catalog of Blair Academy, and ask you, if, referring to page 36, whether that is a correct statement: "The school property consists of about three hundred acres. Two hundred are used as a farm, mostly in pasture land, and one hundred acres are kept as a campus, including Blair Lake, natural groves, and the athletic fields." Is that true? A That is true, in general; we haven't asked to have it surveyed, to be exact about it.

40 Mr. Rosecranz: I ask that that be marked for identification, page 36.

John C. Sharpe—recalled—cross.

Mr. Dumont: All right.

Paragraph in Blair Academy Catalog, on page 36, offered and received in evidence, and marked Exhibit D. 1 for identification.

Q When was the infirmary purchased? A 1918. 10

Q How much was paid for that? A \$6,000.00.

Q Was that purchased out of general fund? A It was mortgaged, paid by a mortgage.

Q Mortgage and what else? A At that time I think we had no general fund. I think I paid \$2,500.00 down personally, and the rest was a mortgage, part of which has been removed since.

Q How much mortgage is there on there yet? A \$2,000.00. 20

Q So that the balance of \$4,000.00 has been paid— A Yes.

Q —out of general fund? A Yes.

Q Did I understand you to say \$6,000.00? A Yes.

Q The next building from the infirmary is what? A Purchased in 1918 at the time of the 'flu epidemic to be used as an emergency hospital. 30

Q How much was the price of that? A I think that is forty—I think I paid \$4,300.00 for that, and I have never received the money, it is mortgaged—

Q The full amount? A It was an old house and I put some improvements on it and then transferred to the school,—two hundred dollars cash paid for those improvements, and the \$4,300.00 stands against it yet.

Q Is the mortgage on record? A Yes, sir. 40

John C. Sharpe—recalled—cross.

Q Recorded in the Clerk's Office in Belvidere?

A Yes, sir.

Q Are you the mortgagee? A I was. I transferred the mortgage to my sister.

10 Q And the next building there that was purchased—when was that purchased? A Next to that, we call that the Pearson House, that was owned in a way by the school when I came there twenty-nine years ago.

Q That was owned at that time, twenty-nine years ago? A In a way, I cannot say yes or no, to be exact. There were some old people lived there and were about to be dispossessed, and the school bought the property and let them live in it all the rest of their lifetime. It was just to save the old people being turned
20 out, then it came to us at their death.

Q Was that bought out of the general fund?

A That was before my time.

Q Was there any mortgage on it at the time you came in? A No, except this life right of the people to live in it.

Q And the next building this way? A That is the last one. The next is where Mr. Butcher lives.

Q Was that purchased by Blair Academy?

30 A No, we never owned it.

Q Are there any other buildings purchased by Blair Academy in the last five or six or ten years? A Yes, twenty years ago, where Mr. and Mrs. Pitman lived here.

Q I am referring to more recently, about ten years ago. A In 1921, this property right here where Mr. Blackford lives, was purchased by the school.

40 Q How much was paid for that? A I was sick in bed when that was done.

John C. Sharpe—recalled—cross.

Dr. Vail: I think it was \$2,600.00.

Mr. Rosecranz: Was that paid for that property?

Dr. Vail: Yes, sir; paid by a check.

Mr. Rosecranz: Out of the general fund?

Dr. Vail: No, sir; if you are asking me. 10

The Chairman: The same principle applies to Dr. Vail. Be sworn, Dr. Vail, please.

(Dr. Vail was thereupon duly sworn, on oath, by the Chairman.)

Q Is there a house at Paulina that is owned by the school? A Yes, sir.

Q Is that rented? A By the man who works there, yes. 20

Q One of your employees? A Yes.

Q What rent do you receive from that? A I can not remember.

Q Well, you receive the average rental around here for those buildings that you do not use for school purposes?

The Witness: Mr. Chairman, I refer that to the accountant. 30

The Chairman: One minute, we will try to get this thing clear. Are these properties that you are inquiring about taxed before this year?

Mr. Rosecranz: Yes.

The Chairman: They have been assessed heretofore?

Mr. Rosecranz: They were all.

Mr. Dumont: They have been taxed previously. 40

John C. Sharpe—recalled—cross.

Mr. Rosecranz: I just want to know when they were purchased, that is all.

The Chairman: That is all right, only I want to make this clear.

10 The Witness: When were they purchased? Am I to answer the last question? Is that the question?

Q No, I think you answered it. A You asked about the house at Paulina.

The Witness: (Continuing.) That was purchased in 1896, house was built in 1897, and the whole thing was paid for by Mr. Blair and given to the school. We pay taxes on it.

20 Q I think I asked you before whether you knew if the Newton Presbytery was a corporation, and you said you did not know. A I said, I do know.

Q Is it incorporated for the purpose of running this school? A It is incorporated for the purpose of owning and controlling any property that belongs to the Presbytery; this is a part of it.

30 Q Where did you get the information of which you just spoke now? A I have voted in the Presbytery many times for trustees of the corporation.

Q Did you see the certificate of incorporation? A No.

40 Q You do not know then exactly whether it is or is not incorporated for the purpose of running the school, do you? A No, it is a corporation to attend to such business as might belong to it, I assume. I can not answer you

John C. Sharpe—recalled—cross.

definitely about that. That is one of the things that we know, as we know a thousand things, without having had a certificate of proof. I am answering you as a layman. I do not understand the legal matters.

Q How many pupils were at the school during the past year? A A few over three hundred, 10
enrolled, not all there at one time.

Q What is the tuition fee? A \$1,000.00 for boarders, sixty dollars for day scholars.

Q How many day scholars out of that over three hundred? A Fifteen, within one or two of that; it is included in the three hundred.

Q They each pay sixty dollars? A Yes, when they paid. Some are free.

Q Which ones are free? How many are free? A Always the sons of the ministers 20
here, the Methodist and the Presbyterian, the sons of employees of the school, the cook's son, the laundry man's son.

Q How many free pupils did you have according to your books within the last year? A Over sixty-three—or partially over sixty-six.

Q Free pupils that do not pay anything?

Mr. Dumont: If you recollect, doctor, say. "Yes"; if you do not know, say you 30
do not know.

A Five, I think.

Q Sixty that pay sixty dollars; is that correct? A Oh, no.

Q Fifteen, you said, paid sixty dollars; is that correct? A Except two of them have free tuition; 13.

Q Thirteen that pays? A I am not giving you now the exact number, but it is about that, 40
variation of two or three.

John C. Sharpe—recalled—cross.

Q And the rest pay a thousand dollars? A Except those that have free scholarships or concessions.

Q When was the last increase in scholarship fees? A I think, three years ago.

Q What was the increase then? How much?
10 A \$150.00.

Q How long previous to that had there been an increase made? A Two or perhaps three years.

Q Do you remember what the increase was, about? A \$50,00.

Q How much have the tuition fees increased during the last fifteen years? A About fifteen years ago, about, it was \$350.00.

20 Mr. Dumont: That is including board?
The Witness: Board, yes, includes everything.

Mr. Dumont: You said "tuition only" previous.

Mr. Rosecranz: Well, I meant the charge.

Q \$350.00 at that time, which has been increased to a thousand now? A Yes.

Q The present rate? A Yes.

30 Q Is there any increase contemplated for this year? A No, not by me; I do not know the minds of other people, but I think not.

Q What salary is paid to the headmaster? A A cash salary every month.

Q How much is that?

The Witness: Do you think it is necessary for me to answer that, Mr. Chairman?

The Chairman: Well, yes, I should think so. He is trying to get at the facts, as far

40

John C. Sharpe—recalled—cross.

as I can understand, that the price is made up by adding the cost of the salaries and other things; is that the idea? We want facts, I am sure.

Mr. Dumont: We are glad to give you the facts, but we gave you the total of all salaries, and the headmaster's is in it; we gave you the total of \$55,000.00 10

The Chairman: Well, I think Dr. Sharpe should answer the question.

Mr. Dumont: All right, sir.

A The last three years I have received \$7,500.00 a year; for a long time a very meagre salary, \$2,000.00 part of the time.

Q What does the assistant headmaster receive, or the dean? A \$3,750.00 and the rental of his house. 20

Q He has a house on the campus? A Yes, sir; on which we pay taxes.

Q Is that the Freeman house? A Yes.

By the Chairman.

Q Does the assistant headmaster occupy that house? A Beg pardon?

Q Does the assistant headmaster occupy that house for his individual— A Yes, sir. 30

Q —use and pay taxes for it? A Yes, sir; we call him Dean. He occupies the house, and we pay taxes on it.

The Chairman: All right.

Mr. Rosecranz: Now, I think that is all.

John C. Sharpe—recalled—re-direct.

Re-direct examination by Mr. Dumont.

Q Now, doctor, how much profit, if any, is made out of the ice, sale of ice? How much profit, if any, is made out of the ice? You say you sell it for 65 cents a ton, a man comes and
10 gets it; how much does your labor come to, on the ice? A I cannot answer that question.

Q You do not know; all right. A I cannot carry the books in my mind.

Q Well, would you say it was large or small? A I would say it was a pretty good sum.

Q Pretty good sum? A Yes, sir.

Q That is, to say, it gives you a good sum, or your profit is a fair sum? A That I want to say, that we have a good profit coming in, but
20 if we were to count all of the incidental expenses in connection with it,—we have got to account for all of the upkeep of the appliances that we use—

Q Yes? A We have got to count the salary of the bookkeeper that takes the account of it—

Q Yes? A —and the superintendence. There ought to be something allowed from the head-
30 master's salary, for I have had to give a great deal of attention to it; and I believe, on the whole, we do that for just about cost, if all of the expense is counted in.

Q In other words, taking these items as you have outlined them, totalling them, it would cost you as much as you get from the ice? A I think so, and it is more a matter of accommodation; it is not a matter of business at all.

Q Did it cost money, or did you make money upon the use of the electric plant prior to the
40

John C. Sharpe—recalled—re-direct.

time of its being taken over by this company who have come through lately?

Mr. Rosecranz: That was not within the last year, was it, Mr. Dumont?

The Witness: The last two years, part of the time. 10

Mr. Dumont: That was brought out today; we want to have it.

A Part of the time the receipts were more than the expenses; part of the time, it went the other way.

Q Well, on an average, what did it amount to, doctor? A About even.

Q About even? 20

The Chairman: Does it belong to it now?

Mr. Dumont: Not now; no, they paid taxes on it when they had it.

Q Your laundry, doctor, what profits, if any do you get out of the laundry? A I do not think we get any profits out of it at all.

Q Well, take the average boy in the school, he pays how much for his laundry? A I checked it up, and there is an average of \$40.64. 30

Q That is what it costs you on the books? A He does not pay directly for that. Until three or four years ago the laundry was an extra, charged for; and we changed the whole process, we have no extras, simply one flat rate, and we figure the laundry at \$40.00.

Q So it is higher— A And it costs us the expense of operating the laundry, cost us \$40.64 per person. 40

John C. Sharpe—recalled—re-direct.

Q So that the things that are credited as obtaining a profit the last few years did or did not show any profit in actual operation? A We have never, in making any calculations, taken the tax into account for the upkeep of the building. If all were taken, there would be no profit on it.

10 Q In other words, it costs \$40.64 a year to do the boy's laundry, \$40.00 of which you allowed in the tuition and board charge? A Yes.

Q So that the boy actually paid within 64 cents of the laundry? A Yes.

Q But that is included in the board and tuition? A Yes, sir.

Q These changes that have been made in the tuition have taken in all of those other items that used to be extras? A Yes.

20 Q Then, with the high cost of living since 1915 and 1914 taken into consideration, has there been any material increase in your expenses as compared with before the war and since the war? A Of before?

Q Not only before but after? A Oh, by, yes.

Q For instance, how far would \$15,000.00 go now, about how many times, as compared with before the increase in the cost of living? A It costs about two and a half times as much now.

30 Q In other words, you pay now \$25,000.00 for what you paid \$10,000.00 ten years ago? A Yes, sir; as nearly as I can say offhand.

Q That is, all of the items that have caused the tuition to have to be increased? A Yes.

Q If the fees had not been increased, could the school have existed? A It could not.

40

John C. Sharpe—recalled—re-cross.

Q And has it or has it not been hard to get the pupils even with all these benefits that you give them at a thousand dollars a year? A We have at all times the ability to about fill the school, always, with advertising.

Q But if it was not for your advertising that you refer to, if you were not to have this advertising, you would not get these pupils? A No, we would not have so many of them. 10

Mr. Dumont: I think that is all.

Re-cross examination by Mr. Rosecranz.

Q This ice business, when you figure off everything, including the taxes, you would not have any profit? A No. 20

Q What tax do you mean? A Tax on the property, there, that whole property, mill property there.

Q Well, do you pay taxes on the lake? A It was all bought in one property, included the mill property, and we paid taxes on the whole thing, just as it was. That was a meadow before we made the lake. It comes in one property and it goes by the name of the mill.

Q How many acres in the mill property? 30

A Voice: The mill property, don't give any acreage, part of it.

Q You would have to run this ice business, even if you did not sell any ice, wouldn't you? A No.

Q Where would you get the ice for the school? A We would cut the ice, yes.

Q You would have to cut the ice, have the same upkeep and labor? A We wouldn't need 40

John C. Sharpe—recalled—re-cross.

any special bookkeeping, we wouldn't have to go to other people who buy ice, go to collect it, and fail to collect it some times.

Q You would practically have a large part of the expense, even if you didn't sell ice, wouldn't you? A We would not have as
10 much expense, yes; but yes, we would have expenses, naturally.

Q So that what you sell is something that is a profit, isn't it, besides what you would have to do anyway? A Yes, yes, a few dollars.

Q And the same applies to the laundry, doesn't it? You have to run the laundry for the school, don't you? A Surely; yes, we try to keep clean.

Q And the laundry that you charge for from
20 the general public, that is a profit, isn't it? There is a profit in that, is there not? A No.

Q Don't you charge—don't your charges—aren't your charges more than other laundries? A Yes, but it is so small in amount that you couldn't begin to run a laundry. It takes as much money to run a laundry for one piece, as far as that is concerned.

Q Yes, but you have to run the laundry any-
30 way, for about four hundred people up there? A Yes. We run the laundry, but with what we collect from the town, which is not very much, and what the students are supposed to pay, just covers the expenses, as we count it, at \$40.64 apiece.

Q But your loans have been reduced during
40 the past year about \$19,000, as you testified, and you built a building at about \$48,000 out of last year's general fund, didn't you? A Yes, that was one—I am glad that you asked that question. Why we built the building—may I explain that?

John C. Sharpe—recalled—re-cross.

Mr. Dumont: Certainly, we want the facts, doctor. Don't hesitate.

A (Continuing.) We built that building just as we built West Hall. It was as necessary to build that to conduct the school, as it would be to have a boiler in the boiler house. It is one of the necessities which we meet every year, changes in conditions of education, new demands, change of the character of clientele, changing conditions made it necessary for us to have that building there. We had to abandon the one building. We sold it for \$300 because we couldn't use it in connection with the housing of the senior class. We wanted them all together in order to maintain proper discipline in the school. It was one of the necessities of the school, just as we have necessities every year. We would have lost heavily if we had not provided, and we could not have had those students if we had not provided a proper building. The same is true of West Hall. The little boys were in with the other boys. We have to maintain school government which would meet the requirements of the littler boys, and we couldn't have two governments in one building. I built that building and took the responsibility of the thing for the benefit of the school, and carried it for a long time, and finally got it paid off, out of the proceeds, no direct gift for it, but out of the proceeds, just as we would put in new boilers or put in new foundations under the floors in the houses. I am glad Mr. Rosecranz brought that out in that way, as it gave me an opportunity to make that explanation.

Q Doctor, doesn't that increase your capital account? A Oh, you might call it that; yes, sir.

John C. Sharpe—recalled—re-cross.

Q Well, if a corporation that you were holding stock in, puts up a new factory, would you consider that your security is better?

Mr. Dumont: I object to that, because no one holds stock in this corporation.

10 Mr. Rosecranz: I will withdraw it to save objection.

Q Don't you consider that putting \$48,000 out of general fund into new buildings last year increased the value of the property at Blair Academy? A Don't you consider as an alumnus of this school that I have increased the school, improved it, bettered it, during the twenty-nine years of my connection with it?

20 Q Just what I am getting at. A Very well; it is the same school, everything there is for school purposes, no matter whether it was given to me or I earned it or I stole it.

Q Well, did you get \$48,000 to put the new building there? A Yes, sir.

Q Got it, I suppose, out of general fund, didn't you? A Part of it; yes, sir.

Q Part of it? A Part of it isn't yet paid off.

30 Q Well, your loans have been reduced \$19,000 in that same period, haven't they? A Yes.

Q Now, what will you do next year, if you have the same success? Or, what will be done with that excess money next year? A We need another building very much indeed for the proper maintenance of the school, for the management of the school.

40 Q You are building this to house more pupils, aren't you? A That would not be to house more pupils.

John C. Sharpe—recalled—re-cross.

Q These new buildings don't house more pupils? A No, sir; I build them to meet conditions or a change.

Q If you build a new building, doesn't that building house more pupils? A It is not a dormitory at all; there would never be any dormitory built there, as far as I am concerned. 10

Q What would you do with the money, if you had, say, \$47,000 next year, and didn't intend to build any new buildings? A We never have any more money than is necessary to support the school, but whenever we do have more money than is necessary to support the school, then we will reduce the rate.

Q You do not consider that profit then at all when you put \$48,000 out of general fund into a new building? A No more than putting a roof on a house, just as necessary as a piece of machinery or a piece of apparatus in the laboratory, and is as necessary as a new truck when the old truck wears out. 20

Q Doesn't your auditor show any increase in the books on account of that building? A He probably does, but I do not care anything about the auditor on that.

Q What was the gross income from the last year's summer conference, about two times two thousand? A The gross income? 30

Q Two dollars a day, isn't it? A Yes, about \$20,000, something like that, the gross income; we have to pay for all expenses.

Q Gross income? A About that; yes, sir; they paid about two dollars a day.

Q Yes, a day, about two dollars, and you had about two thousand? A Yes, and if they were there seven days, \$28,000, it would be, two thousand for the average of seven days; seven 40

John C. Sharpe—recalled—re-cross.

times two thousand is fourteen thousand, and fourteen thousand times two dollars is \$28,000.

Q That is your gross income? A Yes, sir.

Q What is the expense of operating the school during the six weeks that you have conferences there? A Well, we think it would be
10 about the same thing. We think that two dollars a day about carries the expenses of a boarding house, if we count the property worth anything.

Q You do not attribute the fact that you have had more in your school account during the last few years to the conferences at all? A It certainly has helped us to pay overhead expense, and what we put into overhead expense before we can apply to improvement of the property.

Q Then you do realize something over the net
20 expense of the summer school, don't you—conferences? A Not if we count the overhead expense; it will about pay the overhead expense, just as the school would have to pay the overhead expense.

Q You mean your overhead expense amounts to \$28,000? A No, no; we would have to pay them; we would have to pay our firemen, our truck driver, and the housekeepers, and the special assistants I have there, two of them—

Q That amounts to \$28,000? A That is any-
30 thing responsible for overhead expense, and take one-fourth, that is for the summer overhead, for the overhead expense in the maintenance of the building, insurance, repairs, and so on; we certainly use the \$28,000.

Q Well, that is, in the word of your counsel, a sort of a guess, isn't it? A What sort of a guess?

Mr. Dumont: I move "in the word of
40 counsel, a sort of a guess," be stricken out.

John C. Sharpe—recalled—re-cross.

Q That is a guess?

Mr. Dumont: That had to do with something else; it had nothing to do with this, and I want to be fair.

Q That is a guess, isn't it, doctor? A No, I am pretty well familiar with the operation of the school. I can give you an illustration of what it costs to put a roof on and so on. 10

Q I am talking about the conferences. You are familiar with all these figures? You would not have to look at the books? A I wouldn't swear I could tell them absolutely, but I am about as near to it as I would be if somebody asked me.

The Chairman: One minute. Is it the idea of all these questions now to find out whether there is a profit made from the summer school, outside of paying for its expenses, board, etc.? Is that the idea? 20

Q What is the amount of fire insurance? Do you have a distinct recollection? A I do not carry that about with me, but I have figured it out, I have sat down and thought over these things, and I have come to the conclusion— 30

Q You have given us your figures on everything else? Can you give us figures on your fire insurance?

Mr. Dumont: It is impossible for him to remember all these details.

The Chairman: Well, we are absolutely getting nowhere this way, because if a man doesn't know, he doesn't know; that is all there is to it. 40

John C. Sharpe, recalled—re-direct.

Mr. Rosecranz: I submit to the Board, his recollection is faint on some things but not on other things.

The Witness: My knowledge is distinct on some things and indistinct on others; it is not a matter of recollection.

10

Mr. Rosecranz: All right, I will get it from someone else. That is all.

Re-direct examination by Mr. Dumont.

20

Q Just this one question. Doctor, these buildings upon which this assessment is made this year are within a curtilage of how many acres? The buildings actually employed now in the teaching and in the school? A I would suppose within five acres; I have never been asked the question, never made the survey.

Q You feel very sure, if you made any statement, however, about the curtilage, that would be about right? A As nearly as I can figure there on it in my mind.

Q All of those other buildings about which you have been asked, have been taxed locally? A Yes, sir.

30

Q That applies to the whole farm and everything else? A Yes, sir.

Q Now, in advertising the facilities of the school, you could just as well advertise they could go over the farm as well as the hundred acres? A Yes.

Q And, as a matter of fact, the boys do? A They do enjoy it.

40

Q That is to keep them within their own confines and not be on the streets and so on? A We encourage them to make use of the property

William H. Vail, direct.

every place they want to, and they go out and build shacks in the woods and so on.

Mr. Dumont: That is all.

WILLIAM H. VAIL, M. D., produced as a witness on behalf of the petitioner, having been previously sworn, on oath, was examined by Mr. Dumont, and testified as follows:

10

Q Doctor, you reside in Newark? A Newark; yes, sir.

Q What is the address? A 141 Second avenue.

Q You have been closely connected with Blair Academy for a great many years, have you not? A Yes, sir.

20

Q Was there a time, doctor, when you lived here in Blairstown, and actually looked after the affairs of the academy? A Yes, sir. My brother, older brother, was Mr. Blair's secretary from 1856 to 1886, thirty years, and he suddenly——, and then Mr. Blair asked me to come and asked me if I wouldn't like to take his place, so I came here in 1886 when I was forty-one years of age; I am eighty-two now.

30

Q Now, you continued, there all of that time up to what time, about? A I was acting as Mr. Blair's secretary until he died in 1899; and then I continued to be secretary for his son until he died a few years ago.

Q Now, when you were here, and during the lifetime of Mr. Blair and of Dewitt Clinton Blair, you were very familiar with all the details of the school, and you are yet, are you not, doctor? A I might say, if you wish to know, when

40

William H. Vail, direct.

I came here—my brother, in connection with Mr. Blair, looked after all of the affairs of the school, everything in connection with it, and when I came here, Mr. Blair assumed a different attitude, and never went into them. I was his private secretary, kept all of his accounts, and
 10 I was made secretary-treasurer of Blair Academy in 1886, and in 1888, during that severe winter we had up here then, I was closeted with Mr. Blair for five days in the offices—

Q What they want to get here, doctor, now, briefly, are the facts with reference to the profits of the school. That is what I am leading to directly. A I was coming to that. For instance, we have never had any profit. When I came here, there were about sixty scholars, boys and
 20 girls, under Dr.—; then we had fifteen of those were ministers' children, paid nothing. We had then at the end of the year always a deficit. Mr. Blair always gave us a check for the deficit, and we would start the new year clear. That is the way it went for years. Insley Hall, built— years ago, was a result of that blizzard in 1888, and we began that in 1889, and two years we worked on that Insley Hall. Mr. Blair paid the bills. I went to the bank every week, and we
 30 made payday Monday night, because if we paid on Saturday night, half the fellows would get drunk, so they worked steadily right on to Monday night. Then I brought up first a thousand dollars a week; then it went to two thousand dollars a week, for the payday. I never received a cent for my services all of the way through. But there has never been any profit in the school. For instance, we have always paid taxes on any property we have bought, farms or anything that there was any profit on always paid taxes

William H. Vail, direct.

on it. We never wanted to infringe on the county taxes that way, and whenever a farm has been bought, that farm has continued to pay taxes. And when I bought the land out on that road that goes over the mountain, in order to protect the property of the school, we paid taxes right along on that. That has been the principle. The school is not run at a profit, never expected any profit, and there is no profit. 10

Q Under the instructions of Mr. Blair, it was not to be used at any time for profit? A It has never paid a profit at any time. Mr. Blair years and years ago, I don't know exactly when, took the mill property at Paulina; then I bought the one across the street, so as to have control of the whole overflow, because the little mill on the other side, that had control over the overflow, and we bought that so as to have control over it. I carried the whole thing along for years without a cent of profit, beyond the Swartswood Lake, over at the back, paid \$5,000.00 for that; however we sold that, all except the mill, all except the bottom, which we control yet. 20

Q Now, doctor, all of these things which you speak of were carried through in the way that you speak of, due to the fact that you were carrying it through with Mr. Blair, until Dr. Sharpe came along? A Always, along after that, when Mr. Blair met his death, Mr. D. C. Blair gave his check for the deficit, just as Mr. Blair had. 30

Q Mr. Dewitt Clinton Blair, the son of Mr. John I. Blair? A Yes, sir.

Q That continued in that way? A Always has.

Q Do you remember a time since your connection with the school, that the school, since 1886, has made a cent profit? A Never. 40

William H. Vail, cross.

Q Does it today? You are a member of the Board of Trustees. Does it today make any profit? A At the end of the year we always have to sign notes to carry our expenses, as explained by Dr. Sharpe.

10 Mr. Dumont: Take the witness.

Cross examination by Mr. Rosecranz.

Q You mean that the school borrowed money during the year in anticipation of moneys to be received? A Yes, sir.

Q Well, is that anything uncommon in business?

20 Mr. Dumont: I object to that, "uncommon in business," as the custom in business has nothing to do with this.

A As Mr. Blair set the conditions, Mr. Blair did it every year, footed the deficit.

Q Are you acquainted with the fact that the last year there was \$48,000.00 taken out of general fund and put into a new building, and \$19,000.00 reduction in notes, as Dr. Sharpe
30 testified?

Mr. Dumont: Just a minute; that is not fair. Dr. Sharpe has not testified to anything of the kind. He testified that it cost that much money, part of the building was paid in 1925, part he took from this year, part of it he had not paid off yet. That is what he testified, and I do not think it is fair to put the question in the form that
40 counsel has put it.

William H. Vail, cross.

Mr. Rosecranz: He went over that time and time again.

The Chairman: That has been answered by the other witness.

Q Part of it has been paid in these notes? A Yes. 10

Q The notes have been reduced \$19,000.00?

Mr. Dumont: What has?

Mr. Rosecranz: I asked him whether he understood that to be the fact.

A Yes.

Q Wouldn't you consider that was a profit made that year? A No, sir.

The Chairman: Well, I think that is objectionable. 20

A (Continuing.) Never any profit in the school.

Q Wouldn't you consider that profit? A No, sir.

Q Where does it come from? A It goes into the betterment of the school.

The Chairman: I think we have been over that a number of times, thoroughly. 30

Q Have you the audit of last year?

Mr. Dumont: This witness did not testify about that; and cross examination should be only on the things that he testified to.

Q Have you the audit of last year? A We have had the bookkeeper's own audit, without any investigation. 40

William H. Vail, cross.

Q Have you the audits? A Yes; I haven't them here.

Q Will you produce them? A No, sir; unless the Board orders me to; and they are in Newark; I do not think that is pertinent at all.

Q Are those all of the books of the school? A
10 Not all of the books, no.

Mr. Dumont: We have all of the books up there. If you were up there, you could have them. That is what I offered to do this morning.

Mr. Rosecranz: Will you refuse to permit an auditor to examine the audit of your accounts last year?

Mr. Dumont: No, we do not refuse that;
20 I do not, as counsel for the school. You can have as much audits as you want.

Mr. Rosecranz: I say, the audit made last year.

Mr. Dumont: We have no official auditor at the school, if that is what you are getting at.

Mr. Rosecranz: All right, I will find out.

Q Dr. Vail, you are secretary of this Board
30 of Trustees, aren't you? A Yes, sir.

Q Do you order an auditor to make an audit of the school accounts? A No, sir; I do not.

Q Does the Board of Trustees? A No, sir.

Q Who employs the auditor? A It is employed by Dr. Sharpe.

Q Well, on whose accounts, for the school or for him? A Who accounts for it?

Q On whose account is the auditor employed?

Mr. Dumont: Just explain. Dr. Vail, you
40 do not seem to get the question.

William H. Vail, cross.

Mr. Rosecranz: What is the use of hedging this way?

Mr. Dumont: We are not hedging. I would like to address the Board here. The question here is not a matter of hedging. Dr. Sharpe has to give the facts and figures to the Board of Directors. He reports every year. Now, he gets such persons as he pleases to go over and audit these books. Any person can audit these books. And Dr. Sharpe gives us the facts as he has them from the man who has gone over them, whether it be this man here or some other man, wherever he may be, the facts, of course, as he understands them. It is hard to bear in mind all of these different figures which you are asked from time to time. If I were to ask you today what your bank balance was January 1st, you would consider it none of my business, but even if I did, you would not be able to state it. It is not a matter of whether you can carry it in your head. You cannot do it, all of the details. But with regard to an audit, I say to this committee now, as I have several times today, you can have any auditor you want to go over the books up there, glad to have you do it. But the only thing we object to is to having somebody go up there and making an erroneous report on it. I have stated, and I state it again, if this Board wants a man to go in there, name him. You can do it at no expense to the county, and you can name such a man, and let him go in there and have every bit of information we can give him. I have said that before, and I say it again. I cannot make it any plainer.

10

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William H. Vail, cross.

10 Mr. Rosecranz: If the Board please, it seems to me like camouflage on Mr. Dumont's part. What I want, gentlemen, is the audit made by a firm of certified accountants, as I understand it, and to have it here, which would simplify the question, to avoid some-
one coming at another date with another audit. In other words, I am willing to take that audit, made by these certified accountants, to go over it, instead of sending a man up there to make a new audit. I am asking a question of this witness whether an audit was made by the school.

Mr. Dumont: He has answered that question.

20 The Chairman: It is immaterial to me personally whether there is an audit made or not.

30 Mr. Dumont: He wants to get the inside working of this school, which is none of his business, nor none of mine; even as a trustee, that is none of my business. What we want to know is the correctness of these facts and figures that we have given you here today, and you can designate anybody whomsoever you wish to designate. We will meet the expense and go over them in the presence of that man, so that he can give you the facts, but I do object to a man who is apparently absolutely biased in his questions going in there and auditing those books. You can take a set of figures, upon examination, make them appear any old way. Figures don't lie, but the way you put them down—

40 Mr. Rosecranz: I will make this proposition, do you want to take the audit and submit it to the Board?

Joseph A. Dugan—recalled—further cross.

Mr. Dumont: We are going to have a regular yearly audit made soon.

Mr. Rosecranz: I am satisfied, if you are willing to submit last year's audit to the Board, satisfies me. If counsel objects, and an auditor cannot examine the books, I do not understand how I can examine the witness on it. That is all. 10

Mr. Dumont: You can examine the books in the presence of somebody that is authorized to go up there by the Board to examine them and make the audit.

Mr. Rosecranz: Go ahead with your testimony.

Mr. Dumont: If you haven't any more questions to ask, I haven't any more. I have finished; it is up to you. 20

Mr. Rosecranz: All right.

JOSEPH A. DUGAN, recalled for further cross examination, by Mr. Dumont, testified as follows:

Q I observed on your tax list here a valuation of \$5,000.00; what was the figure you had in there previous to that? A Oh, I don't know now. 30

Q It has been altered, hasn't it? A Yes, it would look so.

Q Oh, well, hasn't it been? A Yes, I guess.

Q Yes; here is a valuation over here, that was marked over with something? A That got in the wrong column. I do remember that. That was in the automobile column. I remember that. 40

Joseph A. Dugan—recalled—further cross.

Q What are these figures that you have there? A Thirty thousand.

Q No, no, over in here. You can see what is there, can't you? I can. A No, not just the amount.

10 Q One and two are there, aren't they? One hundred there, that you intended— A Oh, I really don't know.

Q Has this figure been altered in here? That doesn't represent "9," does it? What figure did you have in there previous? A I don't know.

Q Is that intended to be "4," that one? A That has been done somehow.

Q By whom? A By me.

Q Where did you get this "1" that is over in here, in your writing? A What "1" is that?

20

Mr. Dumont: I want this book, if the Board please, to be marked as an exhibit, and I would like to draw your Board's attention to this line right across this column there, through here, beginning there (indicating).

The Witness: That is an error in getting it in the wrong column, I think, or something; I don't just remember.

30

The Chairman: "Personal property." This erasure, you mean, following "automobiles"; of course, that is rubbed off.

Mr. Dumont: In front of the "thirty."

The Chairman: "6" there, I think.

Mr. Dumont: It looks like "6" to me.

By the Chairman.

40 Q Was that a mistake of yours, Mr. Dugan?
A Yes, sir; it was my mistake, but I just forget what it was.

Joseph A. Dugan—recalled—further cross.

Q You don't know just what mistake it was?

A No, no; it is my erasure, that is all my work.

By Mr. Dumont.

Q This is the first time you have assessed Blair Academy, isn't it? A First time I have assessed Blair Academy. 10

Q Yes, and a matter as important as \$930,000.00 assessment, made only recently, has left your recollection at this time? Has it, within the last six months? A I might make my figures over; yes, sir. You will take lots of them and you will find lots of them where there has been erasures, or I try to trace them, to make them look a little darker than the others.

Q This is not darker; this is an absolute erasure, something put in the place of it? That is not darker, it is an erasure? A I don't know why I did it. 20

Q What is this in front of the \$30,000.00? A I cannot just tell you.

Q How did you come to put in the figures there? A It might have been I got it inserted in the wrong column or something. That will happen. Here is one again.

Q That is a mere erasure; that is not, that is a change. A You think that was changed? 30

Q I am positive of it. A I do not.

Mr. Rosecranz: What of it? He made it.

Mr. Dumont: Mark that, please.

Entry in tax lists offered and received in evidence, and marked petitioner's Exhibit P. 4.

Joseph A. Dugan—recalled—re-direct.

By Mr. Rosecranz.

Q Have those books at any time been out of your possession? A Ever since the 10th of January.

10 Q Well, this Exhibit, P. 4, been out of your possession? A This book, I haven't had it; it has been out of my possession ever since the 10th of January.

Q Where has it been? A Down at the Tax Board's office; this is their book, this is not my field book.

Q Been in anyone else's possession except yourself and the County Board of Taxation? A I don't know anything about that. I gave up possession on the 10th of January.

20 Q Hasn't the collector had it at any time?

Mr. Dumont: He admitted he made all of these changes himself.

Q (Continuing.) What I mean is, hasn't the collector had that book? A This is the tax list; the duplicate doesn't seem to be here.

Q You made the changes yourself? A Yes, sir.

30 Mr. Rosecranz: All right, that is all.

The Witness: This is my work.

Mr. Rosecranz: Mark the tax bill.

Tax bill offered and received in evidence and marked petitioner's Exhibit P. 5.

Mr. Dumont: I haven't a copy of the Presbytery's certificate of incorporation. I will get that evidence of it, and bring it in as part of the record, and then I will rest on the testimony given.

40

John C. Sharpe—recalled—further cross.

Mr. Rosecranz: One other question that I would like to ask Dr. Sharpe. That is this—

JOHN C. SHARPE, recalled for further cross examination, by Mr. Rosecranz, testified as follows: 10

Q There are other deeds to other property that Blair Academy or the Trustees of the Blair Academy own now, aren't there? A Yes.

Q You have those deeds? A Yes.

Q That comprises the three hundred acres approximately that is set forth in the tax list—or the catalog? A That is just simply my guess on that; I think that is right.

Q Approximately three hundred acres? A 20
Something like that.

Q You have the deeds for that? A Yes.

Q Made out to the Trustees of Blair Academy? A Yes. Now, let me explain further about the hundred acres. I just put that in; I might have said I had all of the world back here practically as the campus.

The Chairman: I think the Board understands that, doctor. 30

Mr. Walling: The Board understands that.

Mr. Rosecranz: That is all.

Theodore B. Dawes, direct.

THEODORE B. DAWES, produced as a witness on behalf of the petitioner, having been first duly sworn, on oath, was examined by Mr. Dumont, and testified as follows:

Q Mr. Dawes, you are a resident of Blairs-
10 town? A Yes, sir.

Q President of the First National Bank here?
A Yes, sir.

Q And as such president you know, of course, about the discounting of notes at your institution, do you? A Yes, sir.

Q Have you, in the years gone by, negotiated any notes for Dr. Sharpe, for the benefit of the academy? A Yes, sir.

Q And for the academy itself? A Yes, sir.
20

Q Is there not an application made to you usually about June of each year to carry over the business over the summer? A Well, for loans, yes.

Q Yes, that is what I mean, for loans. They have been granted always up to the amount that may be your limit that your bank could give under the law? A Yes, sir.

Q There were loans during the last summer,
30 to your knowledge? A Yes, sir.

Q Has been every summer, has there not? A Yes, sir.

Q Since the bank was started? A Yes, sir; well, I don't know about since the bank was started, since I have been there.

Q How many years? A Well, nearly say, I should say, about five or six years.

Q Well, how long has your bank been established? A Twenty-seven years.

Q Twenty-seven years? A Nearly so.
40

Theodore B. Dawes, direct.

Q Well, when Dr. Sharpe began to take active charge up here, after the death of Mr. John I. Blair, applications were made from time to time to your institution to lend him money to be used for the purpose of the school during the summer? A Yes, sir.

Q You have always accommodated them? A 10
Yes, sir.

Q To the limit? A Yes, sir.

Q When your charter would not allow an amount further than what you could loan, you know that they have loaned it through other banks, do you, of your personal knowledge? A Well, no, I couldn't say that, but I have thought it, of course.

Q Well, of course, you couldn't say of your personal knowledge, but you gave them what you could? A We do, yes, sir, give them the full 20
limit.

Mr. Dumont: Any questions, Mr. Rosecranz?

Mr. Rosecranz: No, no questions. I guess that was all gone over.

Mr. Dumont: Yes, but I thought that might as well be corroborated.

The Chairman: This was only to verify 30
the other witness.

Mr. Dumont: That was all. That is all, Mr. Dawes.

Mr. Dumont: Now, we will rest.

THE PETITIONER RESTS.

F. Ernest Rea, direct.

F. ERNEST REA, produced as a witness on behalf of the Township of Blairstown, having been previously sworn, on oath, was examined by Mr. Rosecranz, and testified as follows:

Q You are in charge of the books at Blair Academy? A I am.

Q What is the total amount of policies for fire insurance on Blair Academy?

Mr. Dumont: If you know. If you do not know, tell them so.

A I do not have the detail sheet here.

Q Well, is it approximately \$900,000.00 about?

A No, sir; not that much.

Q Could you get the details in a few minutes?

A Well, they are up in the safe.

Mr. Dumont: But he wants that answered, if you can.

Q What would you say they were? A It would be around \$780,000.00.

Q Total policies on the buildings? A Yes, sir; of course, it was increased last summer by the building operation.

Q To about what amount is it carried on personal property? A \$30,000.00.

Q So the insurance policies total somewhat over \$800,000.00? A Just a little over \$800,000.00, now, about \$812,000.00—around that figure.

Mr. Rosecranz: That is all.

F. Ernest Rea, cross.

Cross examination by Mr. Dumont.

Q Those policies are 80 per cent. policies, are they not? A Yes, sir.

Q Do you know what 80 per cent. means? A That is, insured for 80 per cent. of the full value. 10

Q Who pays the other 20 per cent. if there is not a complete loss? A Why, we are the co-insurers.

Q So that if you had a building burned partially up there, how much of it would the insurance pay you, and how much would the school have to pay for itself? A We pay 20 per cent.

Q So that, in other words, when you say you are carrying that insurance, \$780,000.00, one-fifth of it is at our own risk, is it not? A Absolutely. 20

Q So that that amount of \$780,000.00 would practically be reduced one-fifth unless there is a complete loss; is that right? A That is right.

By Mr. Rosecranz.

Q You mean that you should carry 100 per cent., in addition to that, don't you? You would expect to get that from the insurance company for a total loss, don't you, the amount of your policy? A 80 per cent. of the amount; we are co-insurers to 20 per cent. of that, as specified on the policy. 30

The Chairman: Gentlemen, I will tell you what I think about this. I think we are going a long way around about a matter that I think it is a question of law. 40

William Kintz, direct—cross.

Mr. Rosecranz: That is all it is, I will agree with you on that; but I will have to follow along.

Mr. Dumont: I am all through.

10 Mr. Rosecranz: One other witness, then I am finished. I just want to follow along on Mr. Dumont's testimony. I realize it is a question of law.

WILLIAM KINTZ, produced as a witness on behalf of the Township, having been first duly sworn, on oath was examined by Mr. Rosecranz, and testified as follows:

20 Q You are a member of the Township Committee of the Township of Blairstown? A Yes, sir.

Q Are you acquainted with the buildings around about Blair Academy? A I have been up around there quite a lot.

Q Have you had farm experience? A Some, yes.

Q Do you own a farm? A I used to.

30 Q Are you acquainted with estimating acreage, farm acreage? A Little, yes.

Q What, in your judgment, is the acreage covered by the buildings around Blair Hall—Blair Academy? A Twenty acres.

Mr. Rosecranz: That is all.

Cross examination by Mr. Dumont.

40 Q Have you had anything to do with any surveys, Mr. Kintz? A No, sir.

William Kintz, cross.

Q Have you ever had your own farm surveyed? A No, as it has laid; I don't own any farm now.

Q But, I see, the one you used to own? A No.

Q Did you ever have that surveyed? A No, I never had. 10

Q So that when you make that estimate, you say you do not make it from any actual experience, but just your own thought on the matter; is that right? A Yes.

Mr. Dumont: That is all.

Mr. Rosecranz: That is all; we rest.

THE TOWNSHIP RESTS.

Mr. Dumont: Now, I would suggest that the Board go up and view the premises, to see for yourselves what the situation is. 20

The Chairman: Now, Mr. Rosecranz, the Board is going up to view that property, and we would like you to go along and give me any information you wish, also the other side.

TESTIMONY CLOSED.

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EXHIBIT P. 1.

This indenture made and concluded this
 Twenty-second day of August in the year of our
 Lord, One Thousand Eight Hundred and Forty
 Eight. Between John I. Blair & Ann Blair his
 10 wife of the Village Blairstown in the County of
 Warren and State of New Jersey of the
 part, and the Reverend John A Riley Elder
 Philip Raub Elder Jacob Lauterman Peter Lant-
 erman and John I. Blair all of the Township of
 Blairstown County and State *afforesaid*, of the
 second part, and which several persons are here-
 by constituted and appointed trustees for the pur-
 pose of receiving this deed of gift by John I Blair
 and Ann Blair which consist of a certain *lott* of
 20 land hereinafter particularly described and which
 lands is hereby given and conveyed for the pur-
 pose and under all the conditions hereinafter
 mentioned and enjoined, and is intended for
 building and *errecting and academy* *uppon* the
 same which is to be for the use of *of* the inhabi-
 tants of the Village of Blairstown and vicinity
 with such others who see proper to patronise
 the school forever, and to be used for *and ac-*
 cademy or school at all times hereafter and for
 30 no other continued purpose. And to be under
 the control of the present constituted trustees
 during their natural lives and in case of death or
 resignation the vacancy shall at *at* all times
 hereafter be filled by the elders and session of the
 First Presbyterian Church of Blairstown, except
 that the clergyman of said First Presbyterian
 Church of Blairstown shall always be a trustee
 and always be the President of said Board of
 Trustees as it is intended that the control of
 the *Accademy* a school with the land shall always
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Exhibit P. 1.

be under and subject to the control, and management of the session of the First Presbyterian Church of Blairstown after the death a resignation of the present Board of Trustees whose names are herein mentioned, and which trustees and their successors for all time to come are hereby empowered to establish and cause to be such a *chool* or seminary for learning or such or parrochial school as shall conform to the direction of the Newton Presbyterian Presbytery or in conformity to the Presbyterian Board of Education of the United States and it shall not be considered as a violation of this deed for the trustees hereby constituted or their successors to permit a common school to be kept in said accademy from time to time as they may deem expedient it may also be used for such public lectures which may tend to promote morality religion and their *increse* of knowledge or benefit society by permission of said trustees as occasion may require—

Butted, *butted* and bounded as follows and situate in the Village of Blairstown beginning at a hickory tree where two stands together at the largest one and is also a corner to the Methodist Church lott, given by John I. Blair thence 1, North twenty two links East to a stake in line Methodist Church lott 2, north one & a quarter degrees West one chain thirty seven links to a stake North side of the hill 3, South eighty two degrees West one chain fifty two links to a stake North side of the hill, 4, South eleven and half degrees West one chain and seven links to a stake both stakes and line ranges *presisely* with the West side of N. T. Morris dwelling house 5, South seventy nine degrees East ninety links to elm tree where there stands together the North-

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Exhibit P. 1.

- erly one 6, North eighty four degrees East sixty six links to the beginning, containing one half acre of land be the same more or less.) It is expressly reserved on the part of John I. Blair that this property shall never be sold by the said trustees or any other persons whatever by virtue
- 10 of any pretence or authority whatever or used for any other purpose but what intended and specified for that any sale of the property under any pretence or any condition use of it contrary to the meaning & spirit of this deed, —shall a forfeiture of this donation and the said lott shall to the said John I. Blair or his heirs for their use and benefit as it is intended that the property shall be used for the purpose intended until the end of time and the said John I.
- 20 Blair and Ann Blair and their heirs will and shall warrant secure and forever defend all and singular the said land hereditaments and premises hereby granted with the appurtenances unto the said trustees hereby constituted and their successors forever for the uses and purposes expressed against the lawful claims and demands of all and every person whatever freely and clearly discharged from all manner of incumbrances whatever.
- 30 In witness whereof the said John I. Blair & Ann Blair hath hereunto set their hands and seals the day and year first above written.

JOHN I. BLAIR LS
ANN BLAIR LS

Signed, sealed and delivered in the
presence of

MARSHAL HUNT

Exhibit P. 1.

STATE OF NEW JERSEY WARREN COUNTY, ss.

Be it remembered that on the Fifth day of April A. D. 1849, personally appeared before the subscriber Marshal Hunt, one of the commissioners appointed for taking the proof and acknowledgement of deeds &c in said County John I. Blair and Ann Blair his wife who I am satisfied are the grantors mentioned in the within deed and to whom I first made known the contents thereof and thereupon the said John I. Blair and Ann Blair acknowledged that they signed, sealed and delivered the same as their voluntary act & deed for the uses and purposes therein mentioned and the said Ann Blair being by me examined separate & apart from her husband acknowledged that she signed, sealed and delivered the same freely without any fear threat or compulsion of her said husband.

MARSHAL HUNT

Red'e and recorded April 13th. 1849

J. I. BROWNE CLK.

STATE OF NEW JERSEY, }
COUNTY OF WARREN. } ss.

I, RAMSEY REESE, Clerk of the County of Warren, in the said State of New Jersey, do hereby certify that the foregoing is a true, full and correct copy of a Deed Made by John I. Blair and Wife to The Trustees of Academy Lott in Blairstown, recorded in Deed Bk 30 on pages 547 etc., as the same is taken from and compared with the original thereof in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of the said County of Warren,

Exhibit P. 1.

at Belvidere, in said County, this sixth day of
March, in the year of our Lord One Thousand
Nine Hundred and twenty eight.

RAMSEY REESE

(SEAL)

Clerk.

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Warren County Clerk's Office

CERTIFIED COPY
OF A
DEED

John I. Blair & Wf.

To

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The Trustees of Academy
Lott in Blairstown.

Dated August 22nd, 1848.
Recorded April 13th, 1849.
Book 30 Page 547 etc.

Ramsey Reese

Clerk.

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EXHIBIT P. 2.

Stamps 50c

This indenture made the Eleventh day of April in the year of our Lord One Thousand Eight Hundred and Seventy between John I. Blair and Ann Blair his wife of the Village of Blairstown in the County of Warren and State of New Jersey of the First Part; and the Rev'd Messrs. Thomas A. Sauson of Blairstown N. J. Aron H. Hand D. D. Bloomsbury N. J. David Tully Belvidere N. J. Thomas M. Cauley Hackettstown N. J. William C. Stett Johnsonburg N. J. Myron Barrett Newton N J Robt B Forsman Middough, Pa. William Laurie, Stewartsville N J Henry B. Townsend Phillipsburg N. J. and Messrs. Charles Scribner J Blair Scribner and Clarence Blair Mitchel of New York City Dewitt C. Blair, Belvidere N. J. and John I. Blair John C. Johnson M. D. and Charles E. Vail of Blairstown N. J. in trust for the uses and purposes herein-after fully described of the Second Part

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Witnesseth that the said party of the First Part for and in consideration of the sum of One Dollar, lawfull money of the United States of America, to them in hand well and truly paid by the said party of the Second Part, at or before the sealing and delivery of these presents the receipt whereof is hereby acknowledged and the said party of the First Part therewith fully satisfied, contented and paid and for other good considerations mooving them these to have given granted bargained sold aliened released enfeoffed, conveyed, and confirmed and by these presents do give, grant, bargain, sell, alien, release, enfeoff, convey, and confirm, to the said party of the Second Part, and to their succes-

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Exhibit P. 2.

sors in office forever. All, that certain tract, or parcel of land and premises hereinafter particularly described situate lying and being in the Village of Blairstown in the County of Warren and State of New Jersey

(Butted and bounded as follows, beginning at a
 10 stake in the road leading from the Presbyterian Parsonage in the Village of Blairstown to Walnut Valley distant fifty five links in a course North thirty three degrees, East from a large Hickory Tree, said stake being in a line of lands of Rev John A Reiley thence in his line (1) North thirty five degrees East two chains and four links (N 35. E. 2.04) to a stake, corner to said Reiley (2) North sixty degrees West five chains and ninety links (N 60W. 5.90) to a stake corner
 20 to Isaac Bunnell (3) North twenty nine and a half degrees East five chains and fifty eight links (N 29½ E. 5.58) to a small black oak corner to Mathias Vass, (4) South sixty two and one quarter degrees East seven chains and one link (S 62 ¼ E. 7.01) passing through the fork of a twin white oak to a stake and stones distant one chain and eighty two links in a course North seventy six East from a large black oak an original corner (5) North seventy six degrees East
 30 six chains and sixty four links (N 76 E., 64) to a large black oak vasis corner and an original corner, in the partition of the Bowlsby Estate in 1821 (6) North sixty six degrees East five chains and twenty one links (N 66 E. 5.21) to a beech tree on the Westerly bank of John I. Blairs mill pond (7) South sixty nine degrees East seventy two links (S. 69 E. 0.72) to a linden tree on the bank of the pond (8) South thirty seven degrees East one chain and twenty two links (S 37 E.
 40 1.22) to an iron wood tree on bank of the pond

Exhibit P. 2.

(9) South thirty four and a half degrees East one chain and eleven links (S $34\frac{1}{2}$ E. 1.11) to a white oak (10) South forty five and a half degrees West fifty two links (S $45\frac{1}{2}$ W. 0.52) to stake and stones on brow of hill (11) North thirty six and a half degrees West one chain and ninety four links (N $36\frac{1}{2}$ W. 1.94) to a double white oak (12) South sixty and a half degrees West two chains and ninety six links (S $60\frac{1}{2}$ W. 2.96) to stake and stones (13) South twenty nine and a half degrees East sixty two links (S $29\frac{1}{2}$ E. 0.62) to stake and stones (14) South fifty seven and a half degrees West sixty one links (S $57\frac{1}{2}$ W. 0.61) through and elm to a small hickory (15) South sixty one degrees West three chains and ninety links (S 61 W, 3.90) to a post (16) South fifty and three quarter degrees West six chains and seventy five links (S $50\frac{3}{4}$ W 6.75) to stake and stones (17) South one half degree East one chain and sixty seven links (S $\frac{1}{2}$ E 1.67) to a small maple standing in a row with others of its size (18) North eighty and a half degrees West three chains and forty six links (N $80\frac{1}{2}$ W. 3.46) to a stake (19) South fifty eight and a half degrees West seventy eight links (S $58\frac{1}{2}$ W, 0.78) to a stake (20) South nineteen degrees West ninety-seven links (S 19 W 0.97) to an apple tree (21) North twenty two degrees West two chains and sixteen links (N 22 W 2.16) to the place of beginning. Containing nine acres of land, more less, and is the same property on which is now erected the large three story stone building known as "Blair Hall" together with all and singular the houses, buildings, trees, ways, *privileges* and advantages with the appurtenances to the same belonging or in anywise appertaining to have and to hold all and

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Exhibit P. 2.

singular the above described land and premises with the appurtenances, unto the said party of the Second Part and their successors, forever. In trust, nevertheless to and for the uses and purposes following: That is to say the said land and premises hereinbefore described together with the buildings and improvements thereon now erected or which may hereafter be erected are to be held by the said parties of the Second Part and their successors in trust for the Presbytery of Newton and the design and object of the parties of the First Part in making this conveyance is to aid and assist in establishing of an institution of learning of high order on the said premises: Said institution to be under the exclusive control and management of the said Presbytery of Newton, who shall from time to time appoint from their members a committee of not less than five ministers and two laymen of which committee the Pastor of the First Presbyterian Church of Blairstown N. J. at the time being shall be chairman ex officio, and who shall constitute a Board of Managers, for said institution and, with the exception of the chairman, hold their office during the pleasure of the said Presbytery the rights and duties of the parties of the Second Part to this indenture shall be to receive and hold the aforesaid land and premises for the uses and purposes above mentioned and in case of the death or resignation of any or all of the said trustees the said Presbytery of Newton shall have power to elect others to fill their places but nothing in these presents shall be construed as requiring the original number to be retained and it is expressly understood that the grove along the side of the mill pond as well as other trees on the property are to be preserved

Exhibit P. 2.

and that the inmates and friends of the said institution may at all times have access to the water bathing and other purposes, and may erect one or more boat or bathing houses along the shore of the said pond provided that the water power be not impeded or obstructed or the right of backwater abridged to the said party of the First Part their heirs or assigns. And the said party of the First Part hereby express their earnest desire that the scale of prices be so regulated, (if possible) that the children of *of* the agricultural community, as well as those of the ministers of this and other Presbyterians may ever have at this place an opportunity of obtaining a *through* education at moderate expense. And the said John I. Blair and Ann Blair do for themselves, their heirs executors and administrators, covenant and grant to and with the said party of the Second Part and their successors that they the said John I. Blair and Ann Blair are the true and lawful owners, of all and singular the above described land and premises and of every part and parcel thereof with the appurtenances, thereto belonging and that the said land and premises in any part thereof at the time of the sealing and delivery of these presents are not incumbered by any mortgage judgment or limitation or by any incumbrance, whatsoever by which the title of the said party of the Second Part hereby made or intended to be made for the above described land and premises, can or may be changed, charged, altered or defeated in any way whatsoever; and also that the said party of the First Part now have good right full power and lawfull authority to grant, bargain, sell and convey the said land and premises in manner aforesaid. And also that they will warrant

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Exhibit P. 2.

secure and forever defend, the said land and premises unto the said trustees and their successors, forever against the lawfull claims and demands of all and evry person or persons, freely and clearly freed and discharged of and from all manner of incumbrances whatsoever, and further that they the said parties of the First Part will make execute and deliver all such further assurances, instruments and conveyances as shall from time to time be necessary and as the said parties of the Second Part or their council learned in the law shall reasonably advised or required for the better carrying into effect the purposes of this indenture, in witness whereof the said parties of the First Part have hereunto set their hands and seals the day and year, first above written.

JOHN I. BLAIR (SEAL)
ANN BLAIR (SEAL)

Signed, sealed and delivered in the presence of

MARSHAL HUNT

30 STATE OF NEW JERSEY }
WARREN COUNTY } ss

Be it remembered that on the 12th day of April in the year one thousand eight hundred and seventy, before me the undersigned a Master in Chancery of New Jersey personally appeared John I. Blair and Ann Blair his wife who I am satisfied are the grantors in the within deed of conveyance *manner*; and I having first made known to them the contents thereof they did acknowledge that they signed sealed and delivered

Exhibit P. 2.

the same as their voluntary act and deed for the uses and purposes expressed, and the said Ann Blair being by me privately examined separately and apart from her said husband, she did further acknowledge that she signed, sealed and delivered the same as her voluntary act and deed, freely and without any fear, threats or compulsion of or from her said husband. 10

MARSHAL HUNT M. C. C.

Received and recorded April 25th. A. D. 1870

H. WINTER, CLK.

STATE OF NEW JERSEY, }
COUNTY OF WARREN. } ss.

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I, RAMSEY REESE, Clerk of the County of Warren, in the said State of New Jersey, do hereby certify that the foregoing is a true, full and correct copy of a Deed Made by John I. Blair & Wife to Rev. Thomas A. Sauson et als., recorded in Deed Book 78 on pages 143 etc., as the same is taken from and compared with the original thereof in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of the said County of Warren, at Belvidere, in said County, this sixth day of March, in the year of our Lord One Thousand Nine Hundred and Twenty-eight. 30

RAMSEY REESE

(SEAL)

Clerk.

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Exhibit P. 3.

Warren County Clerk's Office

CERTIFIED COPY
OF A
DEED

10 John I. Blair & wife
To
Rev. Thomas A. Souson *et als.*

Dated April 11th, 1870.

Recorded April 25th, 1870.

Book 78 Page 143 etc.

RAMSEY REESE
20 Clerk.

EXHIBIT P. 3.

JOHN I BLAIR This Indenture
TO made the twenty-
REV. DR. BUTLER fourth day of May
ET ALS TRUSTEES in the year of Our
30 Lord one thousand eight hundred and eighty
nine Between John I. Blair of the Village of
Blairstown in the County of Warren and State
of New Jersey of the first part and the Rev.
Dr. Butler of Blairstown Rev. R. B. Foresman
of Johnsonsburg Rev. E. Clark Cline of Phillips-
burg Rev. Alansen A. Haines of Hamburg Rev. J.
DeHart Bruen of Belvidere Seldon Scranton,
Esq., of Oxford DeWitt Clinton Blair of Belvi-
dere and W. H. Vail of Blairstown in trust never-
theless for the uses and purposes hereafter fully
40 stated of the second part.

Exhibit P. 3.

Witnesseth that the said party of the first part for and in consideration of the sum of one dollar lawful money of the United States of America him in hand well and truly paid by the said party of the second part at or before the sealing and delivery of these presents the receipt whereof is hereby acknowledged and the said party of the first part therewith fully satisfied contented and paid, and for other good considerations moving him thereto has given granted bargained sold aliened released conveyed & confirmed and by these presents does give grant bargain sell alien release convey and confirm to the said party of the second part and to their successors in office forever All that certain tract or parcel of land and premises hereinafter particularly described situate lying and being in the village of Blairstown in the County of Warren and State of New Jersey butted and bounded as follows,

(Beginning at a maple tree near the still and walk leading from the Presbyterian Parsonage to Blair Hall distant one chain and eighty seven links (1.87) on a course north eight & one quarter degrees East (N $8\frac{1}{4}$ E) from the north west corner of the stone building known as Blairstown Academy thence (1) as the needle pointed May 16th 1889 North fifty nine and one half degrees East (N $59\frac{1}{2}$ E) five chains and sixty four links (5.64) to a stake for a corner twenty five feet (25.) distant on a course of North thirty four and a quarter degrees West (N $34\frac{1}{4}$ W) from the corner post of the garden fence and distant one chain and forty two links (1.42) from the South East corner of the Gymnasium on a course of South eighteen degrees West (S 18 W) Thence (2) North fifty seven degrees East (N 57. E) six chains and fourteen (6.14) to a stake for a corner

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Exhibit P. 3.

twenty five feet from the garden fence post on a
 course of North thirty two degrees West (N
 32W) and distant one chain and seventy three
 links from a crotched top hickory tree on a
 course of South forty seven and a quarter de-
 grees East (S $47\frac{1}{4}$ E) Thence (3) North forty
 10 eight and a quarter degrees East (N $48\frac{1}{4}$ E)
 three chains and twenty nine links (3.29) to a
 stake in the line of Blair Hall lot twenty five
 feet from a post in the fence corner to Blair Hall
 lot thence (4) by the line of said lot North thirty
 five and one half degrees West (N $35\frac{1}{2}$ W) one
 chain and fifty six links (1.56) to a crotched white
 oak tree to a corner of Blair Hall lot thence (5)
 Still by the same South sixty one and one half
 20 degrees West (S $61\frac{1}{2}$ W) two chains and ninety
 six links (2.96) to a stake thence (6) South
 twenty eight and one half degrees East (S $28\frac{1}{2}$
 E) sixty two links (.62) to a stake thence (7)
 South fifty eight and one half degrees West (S
 $58\frac{1}{2}$ W) sixty one links (.61) to a hickory tree
 a corner of the Blair Hall lot thence (8) South
 sixty two degrees West (S 62 W) three chains
 and ninety links (3.90) to a corner near the
 Gymnasium thence (9) South fifty and one
 30 quarter degrees West (s $50\frac{1}{4}$ W) six chains and
 seventy five links (6.75) to a stake thence (10)
 South one half degree West (S $\frac{1}{2}$ W) one chain
 and twenty nine links (1.29) to the place of be-
 ginning. Containing two acres and forty seven
 hundredths of an acre and to be the same more
 or less. To have and to hold all and several the
 above described land and premises with the ap-
 purtenances unto the said party of the second
 part and their successors forever in trust never-
 theless to and for the uses and purposes follow-
 40 ing that is to say the said land and premises

Exhibit P. 3.

hereinbefore described together with whatever buildings or improvements may now be thereon or may hereafter be erected thereon are to be held by the said parties of the second part and their successors forever in trust for the Presbytery of Newton, and the object and design of the party of the first part in making this conveyance is to enable the above named trustees and their successors by possessing more land to the more readily and more thoroughly carry out the designs and ends of the Institution which belongs to the Presbytery of Newton and which is known as Blair Presbyterial Academy and whose grounds join the above described parcel or tract of land and the object of which are fully described in a certain Deed made on the eleventh day of April A. D. 1870 between the same parties as are concerned in this deed and which is recorded in the office of the County Clerk. And the land hereby conveyed with the appurtenances thereon shall be vested in the Presbytery of Newton to all intents and purposes and to the same extent that the lands mentioned in the deed above described and the trustees above named shall severally be under the power of said Presbytery to the same extent as in the above referred to deed. The party of the second part shall have no power to sell or dispose of the property named in this deed but said property shall always remain and belong to Blair Presbyterial Academy.

In Witness Whereof the said party of the first part has hereunto set his hand and seal the day and year above written.

John I. Blair ()

Exhibit P. 3.

Signed Sealed and Delivered
in the presence of

William C. Howell

10 STATE OF NEW JERSEY }
WARREN COUNTY } ss.

Be it Remembered that on this twenty fourth day of May in the year of Our Lord one thousand eight hundred and eighty nine before me the undersigned a commissioner of Deeds in and for said County personally appeared John I. Blair who I am satisfied is the grantor in the within Deed of Conveyance named and I having made known to them the contents thereof he did ac-
20 knowledge that he signed sealed and delivered the same as his voluntary act and deed for the purposes therein expressed.

William C. Howell
Comr of Deeds.

Received & Recorded
June 24th, A. D. 1889

30 Theo P. Hopley
Clerk.

STATE OF NEW JERSEY, }
COUNTY OF WARREN } ss.

I, RAMSEY REESE, Clerk of the County of Warren, in the said State of New Jersey, do hereby certify that the foregoing is a true, full and correct copy of a Deed Made by John I. Blair to Rev. Dr. Butler et als Trustees recorded in Book 139
40 of Deeds on pages 363 etc., as the same is taken

Exhibit P. 4.

from and compared with the original thereof in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of the said County of Warren, at Belvidere, in said County, this sixth day of March, in the year of our Lord One Thousand Nine Hundred and Twenty-eight. 10

RAMSEY REESE

(SEAL)

Clerk.

Warren County Clerk's Office

CERTIFIED COPY
OF A
DEED

John I. Blair 20

To

Rev. Dr. Butler *et als*
Trustees.

Dated May 24, 1889
Recorded June 24th, 1889.
Book 139 Page 363 etc.

RAMSEY REESE

Clerk.

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EXHIBIT P. 4.

Owners	No. of Acres	Valuation		
		Land	Improvements	Total Value Land & Improvements
Blair Academy	100	\$5,000.	\$895,000.	\$900,000.
Value of	Total Net Value		Amount of Tax on	Marked
Other Personal	Real and Personal		Real and Personal	in Red
\$30,000.	\$930,000.	\$25,296.00	P-4	40

REASONS.

NEW JERSEY SUPREME COURT.

10	BOARD OF TRUSTEES AND BOARD OF MANAGERS OF BLAIR ACAD- EMY, and BLAIR ACADEMY, <i>Prosecutors,</i>	}	<i>On</i>
	<i>vs.</i>		<i>Certiorari.</i>
20	STATE BOARD OF TAXES AND AS- SESSMENTS and THE TAXING DISTRICT OF THE TOWNSHIP OF BLAIRSTOWN IN THE COUNTY OF WARREN, <i>Defendants.</i>	}	<i>Reasons.</i>

The prosecutors, by Wayne Dumont, their attorney, come and pray that the assessments for the purpose of taxation for the year 1927, made against Board of Trustees of Blair Academy, Board of Managers of Blair Academy and Blair Academy, as stated in the writ of certiorari allowed in this cause, and the personal property contained in said buildings, assessed by the Taxing District of the Township of Blairstown in the County of Warren at \$930,000.00, which assessments were set aside by order and judgment of the Warren County Board of Taxation and which assessments were reinstated on appeal by the State Board of Taxes and Assessments, reversing the judgment of the Warren County Board of Taxation, may be cancelled, set aside and for nothing holden, for the following reasons:

1. The judgment of the State Board of Taxes and Assessments of January 10, 1928, restoring

Reasons.

the assessment and reversing the action of the Warren County Board of Taxation and cancelling the same, is illegal, unjust and improper in that said Board holds that there was no proof that any of the parties claiming the exemption, to wit, the Board of Trustees and Board of Managers of Blair Academy or Blair Academy, holding the legal or equitable title to the property are incorporated or organized under the laws of New Jersey and authorized to carry out a purpose for which the exemption may be allowed. 10

2. The lands and buildings and personal property contained therein, which are the subject of the assessment, are within the purview of Section 203, subdivision 4 of Chapter 221 of the Laws of 1925, being entitled "An Act to Amend an act entitled 'An Act for the Assessment and Collection of Taxes (Revision of 1918, approved March 4, 1918),' " which exempts from taxation all buildings actually used for colleges, schools, academies, etc., the land whereon any of the said buildings hereinbefore mentioned are erected and which may be necessary for the fair enjoyment thereof and which is devoted to the purpose above mentioned and to no other purpose, and does not exceed five acres in extent; and the furniture and personal property in said buildings; provided that the said buildings and the land on which they stand, or the associations, corporations or institutions using and occupying the same as aforesaid, are not conducted for profit; and that the association, corporation or institution claiming this exemption, to wit, the prosecutors herein, own the property in question and are incorporated or organized under the laws of this state and are authorized to carry out the purposes on account of which the exemption 40

Reasons.

is claimed; and that the said land and the buildings standing thereon and the personal property contained therein are, therefore, exempt from taxation within the meaning of this statute; and that the prosecutor is entitled to claim exemption from taxation within the meaning of the statute.

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3. That the assessments on the lands and buildings aforesaid, are in divers and other respects illegal, unjust, oppressive and inequitable; and that the judgment of the State Board of Taxes and Assessments restoring the said assessment and reversing the judgment of the Warren County Board of Taxation, should be set aside and for nothing holden.

WAYNE DUMONT,
Atty. of Prosecutor.

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Service of the within reasons is hereby acknowledged this 16th day of April, 1928.

EGBERT ROSECRANS,
Atty. for Taxing District of the
Township of Blairstown.

EDWARD L. KATZENBACH,
Attorney-General,
Atty. for State Board of Taxes
and Assessments.

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OPINION OF SUPREME COURT.

Filed May 14, 1928.

NEW JERSEY SUPREME COURT.

No. 256, May Term, 1928.

BOARD OF TRUSTEES AND BOARD OF MANAGERS OF BLAIR ACADEMY and BLAIR ACADEMY, <i>Prosecutors,</i> <i>vs.</i> STATE BOARD OF TAXES AND AS- SESSMENTS, <i>et als.,</i> <i>Defendants.</i>	}	On <i>Certiorari.</i>	10
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Argued May 3, 1928; decided May 14, 1928. 20

Before Justices Minturn, Black, and Campbell.

For the prosecutors, Messrs. Wayne Du-
 mont and Jehiel G. Shipman.

For the defendant, Taxing District of the
 Township of Blairstown, Egbert Rosecrans, Esq.

For the defendant, State Board of Taxes and
 Assessment, Edward L. Katzenbach, Attorney- 30
 General.

PER CURIAM:

The certiorari in this case was allowed to
 review an order or judgment of the State Board
 of Taxes and Assessments, dated January 10,
 1928, reinstating a certain assessment made by
 the Taxing District of the Township of Blairs-
 town in the County of Warren for the purpose
 of taxation for the year 1927, which order or 40

Opinion of Supreme Court.

judgment of the State Board of Taxes and Assessment set aside and reversed the judgment of the Warren County Board of Taxation filed July 16, 1927, cancelling the said assessment. The ground or basis of the judgment of the State Board of Taxes and Assessment was, there was

10 "no proof produced before the Board indicating, that any of the parties claiming the exception (*i. e.*, for school purposes) and holding the legal or equitable title to the property in question, are incorporated or organized under the laws of New Jersey and authorized to carry out a purpose for which this exemption may be allowed" as provided for in the General Tax Act, P. L. 1925, p. 537, sec. 203 (4). The property is

20 owned as a subsidiary to the Presbytery of Newton, N. J., under three trust deeds, Exhibits P. 1, P. 2 and P. 3. An academy, school or institution of learning is operated under these trust deeds under the control of the Presbytery.

It is entirely settled to claim exemption the facts must clearly bring the case within the terms of the statute. Nothing can be left to implication. A statute granting immunity from taxation must be strictly construed.

30 Our reading of the record satisfies us, that the judgment of the State Board under the facts as disclosed by the record was proper. The result is the judgment of the State Board is affirmed and the certiorari is dismissed with costs.

RULE ON AFFIRMANCE.

Filed July 5, 1928.

NEW JERSEY SUPREME COURT.

<p>BOARD OF TRUSTEES AND BOARD OF MANAGERS OF BLAIR ACADEMY and BLAIR ACADEMY, <i>Prosecutors,</i></p> <p style="text-align: center;"><i>vs.</i></p> <p>STATE BOARD OF TAXES AND AS- SESSMENT and TAXING DIS- TRICT OF THE TOWNSHIP OF BLAIRSTOWN IN THE COUNTY OF WARREN, <i>Defendants.</i></p>	}	<p><i>On Certiorari. Rule on Affirmance.</i></p>
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This cause having been duly argued at the May, 1928, term of this court, by Wayne Dumont and Jehiel G. Shipman, of counsel with the prosecutors, and Edward L. Katzenbach, Attorney-General, and Egbert Rosecrans, of counsel with defendants, and the Court having considered the same and finding no error in the record or judgment and assessment of the State Board of Taxes and Assessment; 30

It is, thereupon, ORDERED and ADJUDGED that the judgment and assessment of the State Board of Taxes and Assessment, removed by writ of certiorari in this cause, be affirmed with costs,

Rule on Affirmance.

and that the record be remitted to the State Board of Taxes and Assessment to be proceeded with in accordance with this judgment and the practice in such case made and provided.

Rule entered, July 5, 1928.

10 On motion of

EGBERT ROSECRANS,
Attorney for Defendants.

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NOTICE AND GROUNDS OF APPEAL.

Filed July 12, 1928.

NEW JERSEY SUPREME COURT.

BOARD OF TRUSTEES AND BOARD OF MANAGERS OF BLAIR ACADEMY and BLAIR ACADEMY,	10	
<i>Appellants,</i>		
<i>vs.</i>		
STATE BOARD OF TAXES AND AS- SESSMENTS and TAXING DIS- TRICT OF THE TOWNSHIP OF BLAIRSTOWN IN THE COUNTY OF WARREN,	20	
<i>Respondents.</i>		

*On
Certiorari.*

*Notice of
Appeal and
Grounds.*

To Egbert Rosecrans, attorney for the Taxing District of the Township of Blairstown, and Edward L. Katzenbach, attorney for State Board of Taxes and Assessments, respondents;

TAKE NOTICE, that the appellants, Board of Trustees and Board of Managers of Blair Academy and Blair Academy, hereby appeal to the Court of Errors and Appeals in the last resort in all causes in New Jersey, from the whole of the judgment entered in this cause on the following grounds:

1. The judgment of the Supreme Court which affirmed the judgment and assessment of the State Board of Taxes and Assessments in the above-entitled cause, was illegal and improper.

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Notice and Grounds of Appeal.

2. The Supreme Court should have reversed the judgment of the State Board of Taxes and Assessments in the above-entitled case; whereas, the Supreme Court illegally and improperly affirmed the said judgment.

10 3. The judgment of the Supreme Court affirming the judgment of the State Board of Taxes and Assessments is illegal, unjust and improper, because said judgment of the Supreme Court holds that there was no proof that any of the parties claiming the exemption from taxation, to wit, the appellants, the Board of Trustees and Board of Managers of Blair Academy, hold the title to the property or are
20 incorporated or organized under the Laws of New Jersey, and authorized to carry out the purpose for which the exemption was claimed.

4. The judgment of the Supreme Court, affirming the judgment of the State Board of Taxes and Assessments, is illegal and improper because the said judgment of the Supreme Court holds that the lands, buildings and personal property contained therein, which were assessed by the respondent, the Taxing District of the Township of Blairstown, are not within the pur-
30 view of Section 203, Subdivision 4, of Chapter 221 of the Laws of 1925, entitled, "An Act to amend an act entitled, 'An Act for the collection and assessment of Taxes,' (Revision of 1918), approved March 4, 1918," and are not entitled to exemption from taxation within the meaning of the statute; whereas, the said lands, buildings and personal property are exempt from taxation within the meaning of said act.

Notice and Grounds of Appeal.

5. The judgment of the Supreme Court, affirming the judgment of the State Board of Taxes and Assessments, is in divers other respects illegal, unjust and improper, and the said judgment should be reversed.

WAYNE DUMONT,
JEHIEL G. SHIPMAN, 10
Attorneys for the Appellants.

Service of the within notice of appeal is hereby acknowledged this 7th day of July, 1928.

EGBERT ROSECRANS,
Attorney for Respondent, The Taxing
District of the Township of Blairstown.

Service of the within notice of appeal is hereby acknowledged this 10th day of July, 1928. 20

EDWARD L. KATZENBACH,
Attorney-General,
Attorney for State Board of Taxes
and Assessments.

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Arthur W. Cross, Law Printer, 55-57 Lafayette Street, Newark, N. J.

New Jersey Court of Errors and Appeals

BOARD OF TRUSTEES AND BOARD
OF MANAGERS OF BLAIR ACADEMY,
and BLAIR ACADEMY,
Prosecutors-Appellants,

vs.

STATE BOARD OF TAXES AND ASSESSMENTS and THE TAXING DISTRICT OF THE TOWNSHIP OF BLAIRSTOWN IN THE COUNTY OF WARREN,
Defendants-Respondents.

*On Appeal
from Supreme Court.*

BRIEF FOR PROSECUTORS-APPELLANTS.

Facts.

The Tax Assessor of the Township of Blairstown, in the County of Warren, levied an assessment for the year 1927 on land owned by Blair Academy and certain buildings thereon, all of which were used for the purposes of a boys' school. The assessment is in the following form, marked Exhibit P. 4 (see p. 133):

Valuation

Owners	No. of Acres	Land Value	Improvements Value	Total Value Land & Improvements
Blair Academy	100	\$5,000.	\$895,000.	\$900,000.
Value of Other Personal		Total Net Value Real and Personal	Amount of Tax on Real and Personal	Marked in Red
\$30,000.		\$930,000.	\$25,296.00	P-4

Neither the land assessed for \$5,000 and numbering one hundred acres, nor the improvements thereon assessed for \$895,000, nor the personal property contained in the buildings assessed for

\$30,000 had ever been assessed for taxing purposes before this year. The buildings which stand upon the land covering about five acres of the 100 acres assessed (Dr. Sharpe, pp. 24-30) are:

- West Hall, dormitory;
- Gymnasium;
- Ivy Hall, dormitory and library;
- Locke Hall, dormitory;
- Clinton Hall, recitation and administration;
- Insley Hall, dormitory and dining hall;
- East Hall, dormitory;
- Boiler House;
- Barn, used for carpenter shop and ice house;
- Old Academy, now Music Hall.

The school owns additional property consisting of about two hundred acres used as a farm and for other purposes. This property has always been assessed and the school has paid taxes thereon (Dugan, p. 63). This additional property consists of a farm of one hundred and forty-nine acres and buildings thereon, a wayside cottage used as a dormitory, a double house rented to janitors, a mill, meadow land, the Dean's house, property known as the Vass tract, house rented to former employees, a house rented to the truck driver and the laundry and water plant. All this last-named property was assessed for \$41,000.

The assessment is the exhibit taken from the assessment book describes the owners as "Blair Academy." Blair Academy, through its Board of Trustees and Board of Managers, took an appeal from this assessment to the Warren County Board, asking that the assessments be set aside and vacated, because the property was exempt

from taxation and that the assessment was illegal under Chapter 221 of the Laws of 1925, paragraph 203, section 4, which provides for the exemption from taxation of certain property, including "all buildings actually used for colleges, schools, academies or seminaries, the land whereon any of the buildings hereinbefore mentioned are erected and which may be necessary for the fair enjoyment thereof, and which is devoted to the purposes above mentioned and to no other purpose, and does not exceed five acres in extent; the furniture and personal property in said buildings if used in and devoted to the purposes above mentioned; provided, however, in the case of all the foregoing that said buildings, or the lands on which they stand, or the associations, corporations or institutions using and occupying the same as aforesaid, are not conducted for profit, except that the exemption of the buildings and lands used for charitable, benevolent or religious purposes shall extend to cases where the charitable, benevolent or religious work therein carried on is supported partly by fees and charges received from or on behalf of beneficiaries using or occupying the said building; provided, the building is wholly controlled by and the entire income therefrom is used for said charitable, benevolent or religious purposes; provided, further, that the foregoing exemptions shall apply only where the association, corporation or institution claiming the exemption owns the property in question and is incorporated or organized under the laws of this State and authorized to carry out the purposes on account of which such exemption is claimed."

The County Board set aside the entire assessment against the new property, allowing the exemption claimed. Thereupon, the Township of

Blairstown took an appeal to the State Board of Taxation, where the testimony taken before the Warren County Board was used and the matter was heard and argued and the State Board reversed the County Board and reinstated the assessment by their judgment entered January 10, 1928.

The Board filed a memorandum (p. 8 to 9) and the sole grounds for the reinstating of the assessment, as will be seen from the memorandum, was that no proof was produced before the Board, which brought the parties claiming the exemption within the proviso that such exemption should apply "only where the association, corporation or institution claiming the exemption owns the property in question and is incorporated or organized under the laws of this State and authorized to carry out the purposes on account of which this exemption is claimed."

The writ of certiorari was taken and the Supreme Court heard the case and filed its opinion (p. 137) affirming the judgment of the State Board for the same reasons as those given by the State Board.

The judgment of the Supreme Court should be reversed and the assessment cancelled because the Trustees of Blair Academy or Blair Academy are entitled to claim the exemption within the meaning of the statute.

The Supreme Court held that the statute granting immunity from taxation must be strictly construed and that the facts must clearly bring the case within the terms of the statute in order to claim exemption. We maintain that the facts in this case bring it within the terms of the section of the tax act allowing exemption.

The Supreme Court refers in its opinion to trust deeds Exhibits P. 1, P. 2, P. 3 (pp. 116 to 132) and says that the school or institution is operated under these deeds and under the control of the Presbytery of Newton. In order to show that either the institution itself or its trustees have a legal title to the property which is here taxed, we will first call attention to the phraseology of the deeds.

The first deed, which is dated August 22, 1848, runs from John I. Blair and wife to certain persons who are "constituted and appointed trustees for the purpose of receiving this deed or gift" * * * "*and which land is hereby given and conveyed for the purpose and under all the conditions hereinafter mentioned and enjoined and is intended for building and erecting an academy upon the same*" * * * "*and to be used for an academy or school at all time hereinafter and for no other continued purpose, and to be under the control of the present constituted Trustees during their natural lives and in case of death or resignation, the vacancy shall at all times hereafter be filled by the Elders and Session of the First Presbyterian Church of Blairstown, except that the Clergyman of said First Presbyterian Church of Blairstown shall always be a trustee and always be the President of said Board of Trustees as it is intended that the control of the academy, and school with the lands shall always be under and subject to the control and management of the Session of the First Presbyterian Church of Blairstown after the death or resignation of the present Board of Trustees, whose names are hereinafter mentioned, and which trustees and their successors for all time to come are hereby empowered to establish and cause to be kept such a school or*

seminary for learning or such a Parochial school as shall conform to the direction of the Newton Presbyterian Presbytery."

The language at the end of this quotation puts the management and direction of the carrying out of the trust immediately under the Newton Presbytery.

On April 11, 1870, John I. Blair and his wife executed a new trust deed and this deed more clearly defines the trusts under which the property was to be held and conveys nine acres of land, which apparently includes the property conveyed in the first deed of 1848, which was only a half acre. Both the deed of 1848 and the deed of 1870, it will be noticed, conveyed the property by their habendum clauses to certain trustees named therein, and their successors "in trust for the uses and purposes hereinafter fully described." Consequently, these conveyances placed the legal title to the property in the remaining trustees and their successors, to hold under the trusts announced therein.

The trusts defined, are as follows: "unto the said party of the second part and their successors forever; in trust nevertheless, to and for the uses and purposes following: that is to say, the said land and premises hereinbefore described *together with the buildings and improvements thereon now erected or which may hereafter be erected, are to be held by the said parties of the second part and their successors in trust for the Presbytery of Newton and the design and object of the parties of the first part in making this conveyance is to aid and assist in establishing an institution of learning of high order on said premises; and said institution to be under the exclusive control and management of said Presbytery of*

Newton, who shall from time to time appoint from their members, a committee to consist of not less than five ministers and two laymen, of which committee the pastor of the First Presbyterian Church of Blairstown, N. J., at the time being shall be chairman, ex-officio, and who shall constitute a Board of Managers for said institution, and with the exception of the chairman, hold their office during the pleasure of the said Presbytery; the rights and duties of the parties of the second part to this indenture shall be to receive and hold the aforesaid lands and premises *for the uses and purposes above mentioned and in case of death or resignation of any or all of the said Trustees, said Presbytery of Newton shall have power to elect others to fill their places.*"

At the end of the description in the deed, is the following language "to the place of beginning, and containing nine acres of land more or less and is the same property on which is now erected the large three-story stone building known as 'Blair Hall.'"

The language of the trust above outlined, clearly constitutes the Presbytery of Newton a beneficiary and as such an equitable owner of the property, as well as giving such Presbytery the management and control of the school.

On May 24, 1889, John I. Blair and his wife, executed a further deed of additional property containing 2.47 acres, to certain persons and their successors and the property to be held under the trusts announced in that deed. The deed says "in trust nevertheless, for the uses and purposes hereinafter fully stated." It conveys the property to parties of the second part and their successors "forever in trust neverthe-

less to and for the uses and purposes following, that is to say: the lands and premises hereinbefore described, *together with whatever buildings or improvements may now be thereon or may hereafter be erected thereon are to be held by the said parties of the second part and their successors forever in trust for the Presbytery of Newton, and the object and design of the party of the first part in making this conveyance is to enable the above-named trustees and their successors by possessing more land to more readily and more thoroughly carry out the designs and ends of the institution which belongs to the Presbytery of Newton and which is known as Blair Presbyterial Academy; and whose grounds join the above described parcel or tract of land and the object of which are fully described in a certain deed made on the 11th day of April, 1870, between the same parties as are concerned in this deed and which is recorded in the office of the County Clerk. And the land hereby conveyed with the appurtenances thereon, shall be vested in the Presbytery of Newton to all intents and purposes and to the same extent that the lands mentioned in the deed above described and the trustees above named shall severally be under the power of said Presbytery to the same extent as in the above-referred-to deed."*

In order that the intention of the donor, Mr. Blair, might be perfectly clear, he goes further and defines his object and design in making this conveyance, stating that this land belongs and shall be vested in the Presbytery of Newton, just the same as the lands which were conveyed by the deed of April 11, 1870, which we have just described and which is marked Exhibit P. 4.

It is our contention that this school, Blair Academy, is first the owner of the property;

second, is an institution *organized* under the laws of this State in accordance with the trusts defined in the deeds; third, is entitled by the powers conferred by these trusts, to carry out the purposes therein defined and is, therefore, entitled to claim the exemption under the statute.

First: Blair Academy or the Trustees of Blair Academy, own the property assessed. The legal title to the land and buildings assessed is in the trustees under the deeds and the equitable title is in the Newton Presbytery. The school itself has its organization through these two bodies and is really composed of these two bodies. Therefore, when we speak of Blair Academy, we really mean not only the school itself in all its details, but its Board of Trustees, which holds the legal title and the Newton Presbytery, which controls the management of the school and which appoints the Board of Managers and fills vacancies therein. Since the title to the property assessed vests by the deeds in the Board of Trustees and the Newton Presbytery and since the school is composed of these two bodies, it might be said that the school itself is really the owner of the property.

But, certainly, if the school cannot qualify as the owner, the Board of Trustees of Blair Academy are undoubtedly the owners of the legal title, since the deeds convey this property to the Boards of Trustees and their successors.

Therefore, either Blair Academy or the Board of Trustees "owns the property within the meaning of the statute."

Secondly: Blair Academy is an institution and is organized under the laws of the State of New Jersey.

From the language of the statute the school does not have to be incorporated to claim the exemption. It can be *organized* or incorporated; and that is just where the statute fits into the present case. The school was created and organized, following out the desires and wishes of the donor as expressed in the trust deeds, and the trustees and the Presbytery proceeded to create and organize and manage the school in that way.

The word "organized," does not necessarily mean incorporated. In *Cyc.* Volume 29, page 1527, it is said that the word "organized" is used interchangeably with the words "established," "created" and "formed." Webster's dictionary defines it as "to systemize, to arrange or constitute in interdependent parts." It is defined in Black's Law Dictionary as "to systemize, to put in working order for the normal exercise of its appropriate functions." It also is used to mean the necessary steps which are taken after a company has been incorporated, so that the company may proceed to carry out its purposes as defined in its charter. In other words, the selection of officers, directors, passing of resolutions, calling the organization meeting. The word "organize" in the statute, means the organization of an institution as distinguished from its incorporations as the conjunctive word "or" is used. The statute says "incorporated *or* organized"; nor does the statute mean that the organization must be under the statutory law of New Jersey. Any organization so long as the school is able to exercise its function as outlined in the trust deeds, is sufficient. Certainly the Legislature did not intend that this exemption should apply only to corporations or to institutions organized under our statutory law. The word "organize" should be given its broad mean-

ing, that is any systematizing or forming of an institution into such a position that it can properly function.

In some states, a common law trust can be established which is not necessarily organized under any statute. There are innumerable trade associations, clubs and school as well, which are not formed under any statute, but still they are organized. Certainly the statute was not intended to exclude them.

In the case of Blair Academy.

After the trust deeds were executed giving the trustees title to the land and the Newton Presbytery and the Session of the First Presbyterian Church of Blairstown the management and control of the school, the next step was to "organize" in accordance with the trusts outlined; to "create" or "form" and "establish" the school, and this organization was perfected by the Presbytery in appointing a Board of Managers, which is composed of five ministers and two laymen, the chairman of the Board being the minister of the First Presbyterian Church of Blairstown. This Board of Managers then selected a headmaster and other necessary instructors and attend to other details necessary for the organization, creation or establishment of the school, and this is what is meant by "organization" in this instance; and the organization of what is now Blair Academy must necessarily have been under and subject to the laws of this State, for the Newton Presbytery and the trustees were obliged to organize and establish the school strictly in accordance with the trusts defined in the deeds and they are charitable trusts. The object of John I. Blair in conveying this property, was purely charitable. He wanted to create a school

as a monument to his name, but he wished that school to be of a decidedly charitable nature for the benefit of the children of poor clergymen. It is quite evident he never intended that the school should be used as a means of making money, and consequently the trusts which he created are charitable trusts. Such being the situation, the organization of the school is governed by the laws of this State, which relate to charitable trusts and likewise the laws of New Jersey would control the title to the property conveyed under the deeds. Any question which might arise regarding the composition of the Board of Managers or the management of the school or the construction of the trusts regarding the administration of the school, or the extent of the powers which the Presbytery and the Board has under the trusts, would all be governed by the laws of New Jersey relating to charitable trusts; and the Attorney-General of the State is the ultimate administrator of all charitable trusts and would be entitled to be heard upon any question which might arise regarding the powers conferred by the trusts upon the Presbytery or the trustees and the rights of the school thereunder. *McKenzie v. Trustees of the Presbytery of Jersey City*, 67 Equity 152. Thus it appears that Blair Academy is an institution which is really made up and composed of certain trustees and their successors, who hold title to the land and the buildings erected thereon and the Newton Presbytery which holds the equitable title thereto, and the Presbytery has the control and management through the Board of Managers. The institution is composed of these two units and is called Blair Academy, and it was created and organized in the manner which we have just described.

We, therefore, again urge that the school is an "institution" and it is organized under the laws of this State and to that extent comes within the statute, so that the trustees or the school are entitled to claim the exemption.

Thirdly: Blair Academy or the trustees are authorized to carry out the business for which the exemption is claimed.

The Board goes further and says not only that the parties claiming the exemption are not organized under the laws of New Jersey, but that they are not authorized to carry out the purposes of carrying on the school.

Blair Academy, as has been shown, is a school composed of Trustees and Newton Presbytery and is managed by its Board of Managers. The very object in creating this peculiar form of institution as set forth in the three trust deeds, was to give the Presbytery and the Board of Managers and the Trustees the power to establish and carry on the school. The land was conveyed in the manner described in the deeds for that very purpose and it is most emphatically stated that it should not be used for any other purposes.

If the trust deeds convey the land for the sole purpose of creating an institution of learning, how can it possibly be said that this institution after it has been organized and created is not authorized, through its component parts, to carry out the purpose of conducting such an institution or school on the very land conveyed and in the very buildings erected thereon?

Can it be said that since 1848 the Board of Trustees, Board of Managers and the Newton Presbytery have been carrying on a school, erect-

ing new buildings, buying new land and improving the property constantly without any right or authority to do so? If the reason of the State Board is correct, then the men who have formed the Board of Managers of the school and of the Newton Presbytery for all these years, and have carried on the school, have been doing so without any rights and only of their own volition.

At the original hearing before the County Board, a greater part of the testimony taken was for the purpose of showing that the school was not conducted for profit. This question has not been passed on, since it has been unnecessary to do so. However, if this court should see fit to reverse the Supreme Court, the question might become pertinent. Therefore, we will briefly refer to the facts showing that the institution is not conducted for profit and it is, therefore, entitled to the exemption on that ground.

At the outset, I wish to point out that this case is totally different and is in no way controlled by the case of *Carteret Academy v. State Board of Taxes*, 4 New Jersey Advance Reports 1290. It is, on the other hand, I think, controlled by the case of *Princeton v. State Board of Taxes*, 96 N. J. Law 334. The facts in that case and the present case are very similar. If the Board will examine the Carteret case, it will find that the organization of the school was totally different. The first tax appeal from the assessments against this school came up as reported in 98 Law 868. The condition of the school then was so different from Blair Academy, that it requires no comment as it was simply a stock company organized under the general corporation act and had issued bonds and was in other respects a business corporation. After the assess-

ment was affirmed, the school amended its by-laws; quoting from the opinion in 4 Advance Reports 1291, "The right and management is in the hands of trustees organized by bondholders who give their time and services without any compensation." The school was, therefore, still a corporation organized under the general corporation act with bonds and stock outstanding and is a business concern. It cannot be said that it comes within the language of the Court in *Princeton v. State Board of Taxes*, which is as follows:

"The question being whether a school is 'conducted for profit' (so as to defeat exemption) within the meaning of section 203, subdivision 4 of the Tax Act (Revision of 1918, Pamph. L., p. 849), the test is not whether there is or may be a profit, but whether the school is conducted for the purpose of making a profit; that is to say, whether the charges for tuition and board are fixed with the intention of yielding a profit over and above the actual cost. In the case of a day school, unless the tuition charges are so fixed as to evince a purpose to make a profit over and above the cost of tuition, the school is exempt."

The Carteret case is more like the case of *Montclair v. State Board*, 86 Law 497, which is cited by the Supreme Court in the Carteret case (p. 1293).

In not a single one of these cases was the school organized in the same manner as Blair Academy, that is, by trust deeds and by original endowment. Such an organization as Blair Academy is very similar to the language of Justice Swayze in the case of *Holy Angels v. Bender*, 79 N. J. L. 34:

"The contention of the defendant is that the school is conducted for profit because a

tuition fee is required and a charge is made for board of the pupils. But, clearly, the charge for board was shown, as it is not, that the charge was in excess of the cost. We do not mean to say that even if that had been provided, it would suffice to bring the school within the words of the statute; it is not enough that a profit should be made; the school must be conducted for the purpose of making a profit, *i. e.*, as a commercial enterprise, in order to be deprived of its exemption. The argument is quite as clear in the case of the charge for tuition as in the case of the charge for board. Unless the tuition charges are so fixed as to evince a purpose to make a profit over and above the cost of tuition, the school is exempt. Princeton University and Rutgers College, like all our endowed institutions of learning, make a charge, sometimes not inconsiderable charge, for tuition; and it is quite probable that in individual cases the tuition fee may exceed the actual cost of the instruction; yet no one would suggest that either institution was conducted for profit. The reason is that such institutions upon the whole give more than they get and make up the deficiency of the tuition fees to pay for the actual cost of the instruction, in part by the self-sacrificing devotion of the teachers, and in part by the bounty of past generations."

The Princeton case is particularly applicable, the facts being very much the same since the school was a school and was supported in part by endowment and gift of friends and also that the school in fact did not yield a profit, but it was conducted at a loss. In the Princeton case the case of *Holy Angels v. Bender* was cited with approval and the case of *Montclair v. State Board* was distinguished on the theory that there the principal not only received an exorbitant salary, but really owned and controlled the finances of the school.

That the purpose of John I. Blair in organizing Blair Academy and leaving the property to trustees for the purpose of conducting a school without any idea of profit, is clearly stated in the trust deeds; and this is the test which is laid down in the Princeton case and that of *Holy Angels v. Bender, supra*. In the deed of April 11, 1870, the following language is used: "and the said party of the first part hereby express their earnest desire that the scale of prices be so regulated, if possible, that the children of the agricultural community, as well as those of the ministers of this and other Presbyterians, may ever have at this place an opportunity of obtaining a thorough education at moderate expense." The same thought is expressed in the deed of 1848, and the testimony of Dr. Sharpe and of Dr. Vail shows that this idea has been the policy which has been followed by the Newton Presbytery, the Trustees, Headmaster and all others connected with Blair Academy. The purpose has been to educate those desiring education at the lowest expense possible.

The argument of petitioner that the testimony shows that loans of the school were reduced in the year 1926, from the general fund and that money was likewise used for the general fund to assist in paying for the erection of a new building, is entirely beside the point. It is not a question of the increase of capital. It is one of the objects and purposes of the school. The evidence shows that the salaries are extremely moderate as compared to other boys' schools. The tuition is less than that charged by most private schools for boys. It is, of course, true of this school that in some years the expenses may not be as great as others, so that the expense of running the school may not be as much

as the amount of money received, but this money is all used for the upkeep of the buildings, to carry out the original purpose as expressed by John I. Blair in the trust deeds. The purposes for which the school was created was that of education at a low figure.

The evidence of Dr. Sharpe (p. 24, l. 30) which is uncontradicted, is that the buildings which are used for school purposes and which are here sought to be assessed, stand within the five acres of ground and the uncontradicted evidence also is that these buildings are devoted to the purpose of a school or academy and to no other purpose, which brings the property assessed within the meaning of the statute. The laundry and ice business are on property, which are assessed separately and have nothing to do with the assessment in this case. The property here assessed is for school purposes. We are not assessing the laundry business nor the ice business now. Both these businesses are conducted without profit. The overhead is greater than the gross income (Dr. Sharpe, p. 87, ll. 10-30). So far as the summer conferences go, that is in line with the purposes for which the school was created, as shown by the trust deeds, and is likewise for school purposes (p. 60, l. 10), so that it cannot be said that the property is used for any other purpose than that of a school or academy. If the Board will examine the testimony of Dr. Sharpe (pp. 22 to 47) and Dr. Vail (especially, pp. 97 to 99), they will find that the entire purpose and object of the school from the time of its inception, has been to educate without profit. It is not the proper way to determine the question to hold that because there happens to be a surplus in any one year which is used for improvements or

repairs, or to reduce loans, that this is a profit. The proper way to determine the question is to look through the history of the organization of the school and the manner in which it has been conducted.

It is also shown by the testimony that the school has unquestionably not yielded any profit to Dr. Sharpe or any of the teachers or any of the trustees or the founder; that the salaries paid to the teachers are modest (pp. 37 and 38); that the charges for tuition are not fixed with the intention of yielding a profit. The testimony of Dr. Sharpe (p. 43), shows that the boy who goes to this school actually receives about \$240 more than the tuition which he pays, and that the boys in Warren and Sussex Counties receive a deduction of \$100 from the tuition fee, and that a student gets about twenty-two per cent. from the school more than he actually pays, in proportion to the value of the property (p. 39, l. 25).

SUMMARY.

We think that the judgment of the Supreme Court should be reversed.

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