



Record Group: Morris Canal and Banking Company
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Content Note

In 1940, the Hercules Company leased a lot from the State at the South Street Pier on the Morris Canal Little Basin in Jersey City. Five years later, the company proposed to take over the property, dredge the basin, and rehabilitate the pier, at its own expense. The Attorney General and Governor approved a new lease, to become fully operative by the end of 1945, with the conditions that Hercules' repairs not exceed \$25,000, and that the State would receive a portion of the company's profits in addition to rent.

Repairs exceeded \$25,000 almost immediately, and in January 1946, the Hercules Company requested that the limit be increased to \$35,000. The State agreed; and in April 1946, after many improvements to the pier had been made, Hercules was asked to submit to the State a report of expenses and monthly statements of income. In December, Andrew Nelson (the auditor hired by the state) reported that Hercules Company's accounts seemed to be in order, but recommended a more complete audit.

The following March, James Hanna of the Hercules Company requested a different auditor. The Canal Company questioned Hercules' right to do this, and its right to keep the reserve fund they had set up as self-insurance. The Attorney General's assistance was requested to compel Hercules to pay the State its share of the fund, and the President and Commissioners of the Canal Company were asked by the board to meet with Hanna to settle the Hercules account. In April, Hercules payed the Canal Company half of the reserve fund and agreed to let Nelson finish the audit for July 1945 through June 1946.

Nelson reported in June that Hercules' accounts were improper and irregular. Soon after, the company's books were impounded in the Hudson County Proescutor's Office, and Nelson was authorized to extend the audit to 12 July 1947. The Canal Company cancelled the 1945 lease and offered a new lease to Hercules on a monthly basis. In August, Nelson gave his preliminary report for July 1945 to June 1947, stating that the Hercules Company had collected rent for tug mooring privileges in the Inner Basin without authority from the Canal Company. At a hearing in December, Hercules agreed to pay the State \$31,362.08. In January, the total was raised by \$6,352.50. Hercules was asked to completely vacate the lot by April 12th (with a later extension to June 12th). From rents, receipts, and payments, the State received over \$90,000 from the Hercules Company between 1941 and 1948.

For additional information, see the files for the Little Basin in the General Correspondence Files, ca. 1840-1974, which include photographs showing the pier before and after the Hercules Company's improvements.

Contents

1. Report on examination, 1 July 1945 - 30 June 1946 (3 copies)
2. Preliminary report of examination, 1 July 1945 - 30 June 1947 (2 copies)
3. Report of examination, 1 July 1945 - 30 June 1947
4. Meeting, 9 December 1947
5. Hearing, 12 January 1948
6. Miscellaneous corr./reports of income, 11 April 1945 - 24 March 1948
7. Audits, 1 April 1946 - 18 February 1948
8. Leases and other papers, 18 September 1940 - 2 February 1948
9. Notes on hearing held 19 February 1947

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