New Jersey State Archives Collection Guide

Record Group: Morris Canal and Banking Company
Series: Boat Loan Records, 1866-1886
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Volume: 2 c.f. [6 vols.]

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Content Note

On 1 November 1865, the canal company resolved to issue a $220,000 "boat loan," the proceeds of which would not only "cover the amount already invested in Boats, but also provide the means for building new boats." It was hoped that the loan would stimulate business on the canal, while also offering the company's stockholders a lucrative investment.

The loan invited any holder of either consolidated or preferred stock to invest $75 for every 10 shares owned. In return, the company would issue a $100 "certificate of registered boat loan" yielding 7 percent interest payable on the first day of April and October of each year until 1 October 1885, at which time the $100 principal was due. To take advantage of this opportunity, stockholders were required to pay one quarter of their expected investment by January 1, 1866. After January 1, 1866, subscriptions for the remainder of the $220,000 loan were opened to the general public.

To secure payment of the loan's interest and principal, the board conveyed all boats "now owned by said company and all boats hereafter owned by said company" to a trust, of which the president, vice president and secretary of the company served as trustees. The trust then leased the boats back to the company, for which the company paid to the trustees as rent the 7 percent interest owed to the boat loan investors. At the direction of the trustees, the company made periodic payments into a sinking fund established for the ultimate redemption of the principal. The money in the fund would be invested, or used to cancel certificates, depending upon the judgment of the trustees as to which would best promote the company.

The boat loan records consist of six volumes spanning from 1866 to 1886. Most useful of these is the Boat Loan Ledger, 1866-1885, which records all purchases of certificates by installment from the company or by transfer from other certificate holders. The ledger is organized semi-alphabetically by name of the holder, and thereby serves as an index to the second volume, the Loan Transfer Book, 1866-1886, which records the transfer of certificates from one investor to another. Page numbers on each transfer stub refer back to the ledger. Volume three, the Receipt Book, 1866-1869, contains stubs and unused receipts that were used to record installment payments by investors.

The last three volumes record payment of interest by the company to the investors. Volumes four and five cover the period 1866-1871, when the company paid out interest at either its Jersey City office or the office of E. W. Clarke & Co. in Philadelphia. The sixth volume records interest paid by the Lehigh Valley Railroad Company beginning on 1 October 1871, when its lease began, and continuing to 1 October 1885, when the principal of the boat loan was due.

Contents

Volume 1, Boat Loan Ledger, 1866-1885

Volume 2, Loan Transfer Book, 1866-1886

Volume 3, Receipt Book, 1866-1869

Volume 4, Philadelphia Interest Book, 1866-1871

Volume 5, Jersey City Interest Book, 1866-1871

Volume 6, L.V.R.R. Interest Book, 1871-1885

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