The Neto-Orleans Bee.

OFFICIAL PAPER. SUPPLEMENT TO THIS DAY'S EDITION. TUESDAY MORNING, MARCH 12, 1850.

Report of the Committee on the Orleans Navigation Company.

The Special Committee appointed by the House to investigate the affairs of the Orleans Navigation Company beg leave to submit the following report:

The Orleans Navigation Company has existed since 1805 and from that period to the present time no attempt has ever been made by the Legislature to throw any light on the mystery which has long lurked so long a time over the management of the affairs of the Company.

This omission cannot have made it a matter of great difficulty to collect the material for a full and complete report. But the facts which concur to the knowledge of your committee, though few, are such as to require prompt and energetic action from the Legislature.

Your committee know, by the undoubted evidence of sworn witnesses, that the Canal Carondelet and basin have been built at the expense of the people of New Orleans at large, in other words to the profit of Baron de Carondelet. It is further established, under the Spanish Government, vessels freely navigated the Bayou and Canal, free of the tolls. This enjoyment was only in the time and subject just to the present equivalent to tonnage.

The State had entrusted a certain political body with the care of maintaining and improving the navigation, and to the public at large. This was the object and the end to be attained by the exercise of the corporate franchises. The corporate works were not performed by them. The means which they expended, and which, in the same period, derived from other sources, were the consideration which passed from the State in return for the possession of the Bayou and Canal; the repairs and improvements which should have been made by them, in the way they undertook to do, were left to the public at large. Has this corporation ever earned the franchises it received?

As far back as 1822, a committee reported against the corporation for the neglect of their duties, and other points to the same effect and company, which, it appears, had been signed by evidence and sworn witnesses. It appears, however, that the charter had been very seldom, if ever, forfeited, for the reason that the State had received from the corporation the consideration for the franchises granted, and had no other remedy than by a judicial process against a company which, in return for its franchises, had given the State a valuable consideration, and had, in the opinion of the Legislature, fulfilled the conditions of the contract.

The entrance into the Bayou is a deplorable evil, which, if it does not, in the judgment of your committee, amount to a forfeiture of the charter, it does, in their opinion, amount to a nuisance, which should be abated by legislative action. The accumulation of the sand bar, which has been growing for years, is a work of time, and has been, in the opinion of your committee, the result of a long series of years, and a most serious cause for the neglect of the Company to perform the duties for which they received the consideration of the State. The evil is of long standing, and has been the subject of legislative action, and of the complaints of the public for years. Has the corporation ever earned the franchises it received in return for the consideration?

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The first series of bonds of $100,000 was disposed of and appropriated as follows:

Premium for discount,	$13,000 00
For works made	11,575 75
Discounting notes,	27,903 00
Paying old debts,	47,521 25
	$100,000 00

The amount disbursed in payment of old debts could be derived from no other source than the above, for when the company received the $100,000 proceeds of the above mentioned bonds of $100,000, they had only to funds a balance of $600, or about. This was in December, 1836; moreover at that period the amount of bills due by the company was $57,705 80, and in 1837, these bills due were reduced to $10,500 00, there being a deduction of $47,205 80. We show by reference to document B, that the net proceeds of the receipts over the expenses of administration, were in 1837 only $35,923.

The second series of $100,000 was appropriated as follows:

One series of $50,000 was deposited as collateral security, for a loan obtained from the Union Bank of $30,000, which sum was employed as follows:	
Payne Debts,	$10,548 80
Making new works,	19,451 20
	$30,000 00

The balance of $50,000 was transferred to Mr. Lambert Millaudon, to secure the payment of $22,338 23 due him by the Orleans Navigation Company. See document C.

Your committee have shown that $20,000 was applied to complete the sum of $100,000, were never delivered to and received by Municipality No. 1.

It appears, then, by the foregoing statements, that the company has received by net proceeds of the first series of $100,000.

DOCUMENT A.

George Legendre, being duly sworn deposeth and says: There was an agreement entered into by Municipality No. 1 and the Orleans Navigation Company, by which Municipality No. 1 agreed to endorse $100,000 (four hundred thousand dollars) worth of bills in favor of said Company, which sum two hundred thousand dollars was to be used in the sum of two hundred and dollars, one hundred thousand and dollars were negotiated at the Louisiana Bank, the net proceeds of which was about eighty thousand dollars. Fifty thousand were deposited as collateral security in the Union Bank for a loan of fifty thousand dollars, as to the bill fifty thousand dollars they were placed in the hands of Mr. Millaudon as collateral security by a resolution passed by the Board of Commissioners presented by Mr. Millaudon to the Navigation Company. Witness does not know what became of the fifty thousand dollars deposited as collateral security for Union Bank.

The greatest part of the discounts were applied in making improvements and paying notes due by the Company in different sums, as shown in the books of the Navigation Company. Witness was a member of the Board of Commissioners, and was present at the meetings of the Board.

In 1842 the 15th January there was a contract made between the Company and a certain John Allison, by which Mr. Allison was to catch ten negroes, one Carpenter and Engineer for a monthly return of two hundred dollars, according to contract, the Company could be charged with Mr. Allison, which never they were expected with him. Mr. Allison was dismissed at witness's request on the 30th January 1845, he was dismissed because he was not fulfilling his duty as provided by the contract. Mr. L. Pagent was appointed in place of Mr. Allison, the said appointment followed immediately the date of the contract with Mr. Allison; when Mr. Pagent took the place of Mr. Allison there was no new subrogation; but the Secretary continued to pay monthly the $500 to Philip Minnion until the end of the last month of December 1849; the number of negroes has been reduced from ten to seven, the three negroes died on the average about one year from the date of their purchase. Witness does not know exactly, but I think I would have known it. The following persons have been connected with members of the Board since witness is their Secretary, to wit:

Mr. L. Millaudon, Philip Millaudon, V. Barthe and Alfred Hennen, with the exception however of Mr. L. Millaudon who was absent on the direction of said Board during one year. There has been, in consequence of the works of the 3d section of the Draining Company at the intersection of the Bayou St. John and the Canal Carondelet, the interruption, preventing crafts from navigating the Canal and this was very serious to everybody, besides the sinking of one of the Dredging machines belonging to the Company during about fifteen days, it also prevented the free navigation. A machine was afterwards taken to the Bayou but it sunk in the edge of the Bayou; it is not to my knowledge that crafts ever ran over said machine. The Dredging Machine could not so easily have been removed in consequence of the low water, a large stage of water being necessary to take it out of the way. Witness knows nothing more.

Is Sworn to and subscribed before me this 6th February 1850.

Mr. B. Fiedias being duly sworn deposeth and says: That the works of the Company were very neglected since ten years and since about ten years the Company has done no work of any kind; witness knows this not personally and also as a matter of public notoriety and because the Bayou and Canal are covered with moss and weeds, witness is acquainted with almost all the persons residing over the Lake with coasting schooners and they all complained that there was not water enough to tow their schooners in the Bayou, which consisted for them a loss, they having their factors and stores all at the old Basin; witness further says that the Dredging Machine belonging to the Company is since many years lying out of the mouth of the Bayou and not for service.

Louis Henry Pilie, being duly sworn deposeth and says: That he concurs with the testimony of Mr. B. Fiedias, and knows all the facts therein related by himself personally, and witness further says that he has seen a schooner drawing only three feet prevented from entering the Canal at the junction of the Bayou for want of water draught, and notwithstanding all the complaints made to the Navigation Company they complained and the said Company never took any steps to prevent such a state of things except within a few weeks. I am informed they brought a suit against the Draining Company on that subject. I was many years ago elected a director of said Company; but finding a wish in the direction, instead of doing any thing to improve the Canal and ameliorating the same, there was an apparent wish of leaving it every thing in a destructive way, the entrance of the Bayou had been guarded by piles and planks drove on each side to prevent the same from accumulating within in the entrance between the pickets, and instead of maintaining this work and making good and strong as it is at the entrance of the Canal of the bank, the planks were pulled off and carried away and never replaced, and the mouth of the said Bayou left entirely unguarded.

Finding that I was always in the minority when I proposed any measure for the benefit of the navigation, I gave my resignation, and would not serve any more. I was established at the old basin, where I was doing business, and carrying on a large brick yard, whilst on the other side of the Lake, finding that it was impossible for me to bring my vessels in without their being exposed to be a number of days to come up, unless I should take the whole cargo out; and as the Company had no means to assist the navigator in lightering his or their vessels, I abandoned the old basin and went up to establish myself to the new, and where I did splendid business by the facility afforded to navigation; at present the Company has no kind of means to do anything to assist the navigation. The only mud machine which they have is sunk in the bayou, in one of the narrowest parts of it, exposing vessels to be hurt, the passage left being so narrow; everything shows that the Company have given up entirely everything but collecting the toll on vessels. The old pickets are entirely destroyed, and have not yet been replaced since the crevasse of Sauve; the strong current running down has made a passage on the west side of the pickets, but the south side the pass is as it was before the [illegible] for in the highest stage of [illegible] the crevasse I attempted to [illegible] vessels in, she grounded [illegible].

[illegible] says that since the last year's [illegible] and in consequence of the cleaning of the pass by the strong current of water which then existed in the Bayou, coming from Sauve's crevasse, the schooners could enter with more facility; witness further states that since 1843 to 1849, he has been either Surveyor or Deputy-Surveyor of Municipality No. One, acting in said capacities he had constant occasions to look at said Canal and Bayou, and that he never saw any persons working to the same or the Company doing any work; witness says that the Company possesses neither in the Canal or in the Bayou, any Dredging Machine except the old one which is alluded to in the preceding testimony and unfit for service; witness says that the bad state in which the Canal is, is a desolation for the inhabitants of that section of the city neighboring said Bayou and Canal.

Mr. Evariste Blanc, being duly sworn deposeth and says: That he owns property at the Bayou St. John, and that he lives there since sixty years, he saw when the Canal de Carondelet was dug by order of the Baron de Carondelet, enjoining every citizen to go to work at the digging of the said Canal, and saw long before the Spanish Government left the country, vessels navigating the Canal up to the Basin; witness' opinion is, that the Bayou and Canal and the pass at the Lake have never been kept in good order by the Company; but for great many years they have been neglected in a most shameful manner by the Company, so much so that vessels drawing not more than two feet had to be hurried over the bar within the pickets; the result of that state of things forced the greatest number of vessels to give up to come to the old pickets, and for several years past the Bayou and the Canal have been full of spars brought for the use of the wharf of the Municipalities, left adrift in all the directions of the said Bayou and Canal, so much so that it has been almost impossible for vessels to pass up and down without a great trouble in moving out of the way the said spars; for several years the Company has suffered the Draining Company to throw or pump into the Bayou St. John the thick muddy water coming from Municipalities One and Two and Three, which have filled the Bayou by the deposit of the mud, so as to leave hardly any water for the navigation of vessels even of the lightest

DOCUMENT B.

Statement of the Yearly receipts, Expenses of Administration, and Expenses for Brick walls round the Canal, of the New Orleans Navigation Company, from 1831 to 1849 inclusive.

	RECEIPTS.	EXPENSES of Administration	BRICK WALLS round the Canal.
1831	37,911	24,852 0[illegible]	
1835	40,923	20,845 2[illegible]	
1836	26,666	21,772 2[illegible]	20,947 15
	105,501 56	67,469 50	19,923
1837	21,538 14	21,132 94	7,735 30
1838	24,201 14	28,132 76	
1839	21,779 68	16,266 41	
1840	26,381 13	15,909 78	
1841	23,885 25	28,187 67	
1842	23,360 10	21,438 81	
1843	18,178 91	15,305 65	
1844	15,771 36	12,931 52	
1845	15,230 96	13,205 37	
1846	14,733 26	11,883 25	
1847	15,879 49	12,373 06	
1848	14,072 13	12,331 73	
1849	11,684 19	10,185 55	
	352,019 78	286,680 64	47,605 41
			286,680 64

	RECEIPTS.	DISBURSED.
1836 to 1837	140,005 41	135,502 37
1837 " 1838	97,411 37	93,428 64
1838 " 1839	79,278	77,474 20
1839 " 1840	41,185 71	42,955 86
1840 " 1841	27,701 37	25,571 45
1841 " 1842	16,369 20	14,140 39
1842 " 1843	18,269 78	17,869 06
1843 " 1844	15,893 74	15,882 13
1844 " 1845	15,230 96	14,637 27
1845 " 1846	14,733 26	14,195 06
1846 " 1847	15,879 49	15,331 71
1847 " 1848	14,072 13	13,585 91
1848 " 1849	11,675 19	9,693 04
1849		
In 1852 Dividend of 9 per cent. on capital, say $200,000.		$18,000
1836 Declared (no dividend has been declared since 1836)		8,000
Total amounts Received and Disbursed by the Orleans Navigation Company, from 1836 to 1849, inclusive.		360,286 14

DOCUMENT C.

In the month of December, 1836, the New Orleans Navigation Company negotiated in the Louisiana State Bank the following series of bonds, endorsed by the First Municipality, viz:

1st series—1 to 80, payable in 25 years from 20th September, 1836, at $50,	
2d series—1 to 120, payable in 30 years from 21st September, 1836, at $50,	$40,000
Together, 200 bonds of $50 each,	60,000
The net proceeds of the above $100,000 was appropriated as follows, viz:	$100,000
Net proceeds,	$87,000
1836—December 15. Paid Samuel Morgan, secretary, (compensation)	$ 500
" " " The Company's Note in the Gas Light and Banking Company	3,158 75
" 20. *Discounted.* Note of C. G. de Armas, and of F. de Armas, and endorsed by P. Soule, dated 23d November, 1836, at 6 months,	11,500
" 27. " Note of Villate and Toledano, order of R. Toledano, endorsed by F. H. Petitpain, dated 1st June, at 10 months,	11,103
" 30. Paid F. de Armas, Esq., Notary Public, for mortgage deed, executed in favor of Municipality No. 1,	500
1837—January 7. Paid Company's Note in Carrollton Bank,	3,062 50
" 16. *Discounted.* Note of Chas. Garnier, order of Chabert and Schruber, dated 16th January 1837, at 5 months	5,000
" 20. Paid the Company's Note in the Louisiana State Bank,	7,500
" 25. Do. in the Commercial Bank	20,000
" 25. Do. in the Citizens' Bank	3,800
" 27. Do. in the Louisiana State Bank	4,000
" March 25. Do. in the Citizens' Bank	5,000
" April 11. J. Alli on, contractor on account of brick walls along the canal	4,500
" June 27. Do. do. do. on account	3,000
" July 17. Do. do. do. in full	2,422
" " " Sundries	1,653 75
	$87,000 $87,000

In September, 1838, the Orleans Navigation Company borrowed of the Union Bank of Louisiana, a sum of $30,000, and deposited the following series of bonds as collateral security, viz:

2d series, No. 1 to 50, payable at 25 years	
3d series, 100 bonds of $50 each, say 20 years	$50,000
The above thirty thousand dollars were disposed of in the following manner, to wit:	
1838—September, Paid the Company's Note at the Union Bank	$30,000
" " 21. Louisiana State Bank, 6 per cent. interest for six months, on the $100,000 of bonds held by said bank	3,000
" " 26. " H. J. Ranney, as per contract for railroad	4,600
" October 6. " Do. do. do.	1,100
" " 10. " Do. do. do.	2,000
" " 13. " Do. do. do.	1,000
1838—October 25. " E. Mazareau, for professional services	500
" " 26. " The Company's Note in Improvement and Banking Company	600
" " 29. " H. J. Ranney, as per contract	4,500
" " 31. " The Company's Note	1,000
" November 7. " H. J. Ranney, as per contract	4,000
" " 21. " The Company's Note at Citizens' Bank	4,430 80
" " 24. " H. J. Ranney, as per contract	400
" " " " L. Janin, for professional services	500
" " " " F. de Armas, notary, for mortgage deed in favor of Municipality No. 1. (15th June, 1838)	100
" " " Sundries	1,551 20
	$30,000 $30,000

The $50,000 of bonds to c[illegible] of bonds, endorsed by the 1st Municipality were transferred to Mr. Lambert Millaudon, to secure the following amount due him by the Orleans Navigation Company, viz:

Extract from a letter of Mr. L. Millaudon to the Orleans Navigation Company, and entered on the minutes of said company on the 15th June, 1842:

$10,776 8[illegible]	Balance due me, as per books, 5th August, 1841.
800 70	Interest on said sum to 30th April last.
1,259 45	Advances made posterior to 5th August, 1841.
$13,836 23	

Remark.—The note drawn by C. G. de Armas, which was discounted by the Orleans Navigation Company out of the proceeds of the first $100,000 of bonds negotiated in the Louisiana State Bank, after having been reduced to $9,800, was protested on the 30th March, 1838.

The note drawn by Villate and Toledano was paid.

The following remarks will convince the committee that the foregoing statement, showing the manner in which the net proceeds of the first $100,000 of bonds negotiated in the Louisiana State Bank, and amounting to $87,000, was appropriated, is correct:

On the 20th June, 1838, the company had $15,475 23 of bills payable.

In December, the amount of bills payable is increased to $41,705 80.

In the same month the company receives $87,000, being the net proceeds of the $100,000 of bonds negotiated in the Louisiana State Bank.

And in December, 1837, the bills payable are reduced to $10,500 00.

DOCUMENT D.

Council of Municipality No. One,
Sitting of Friday, the [illegible] 1836.

Resolved, That the Mayor, conjointly with the Treasurer of the First Municipality, be and he is hereby authorized, in the name of the First Municipality, to endorse or guarantee the payment of four hundred thousand dollars, under the conditions hereinafter specified, which the Orleans Navigation Company will issue in bonds of five hundred dollars each, payable as follows: twenty-five and thirty years, in such manner as the said Company may think proper, bearing an interest of six per cent per annum; and countersigned by the President, Secretary, or Treasurer of said Orleans Navigation Company, and the seal of the same being affixed.

Resolved, That the Mayor be hereby authorized to take before the Notary of the First Municipality, a mortgage which shall be passed by the President of the Orleans Navigation Company, duly authorized, in favor of the First Municipality, which said mortgage shall be made to cover the amount of the bonds, and the said Municipality will sign and endorse the said bonds, on the express condition that the said Company will give a mortgage on all its real property, including the land, levees, and the whole of the Lake Pontchartrain, including the Canal, from the Lake to the Basin of Carondelet, including the Bayou St. John, and the Canal Carondelet, and the Basin of Carondelet, and