

As the company slipped inexorably into insolvency, from which it was never very far removed, the board was also faced with defending attachments and executions by individual creditors against C & O property and periodically directing the various state's attorneys to intervene in those actions in order to protect the state's interest.⁵³

During the incumbency of Gov. William T. Hamilton (1880-84), a split occurred on the board pertaining to the C & O, the governor consistently opposing (and being outvoted by) Comptroller Thomas J. Keating and Treasurer Barnes Compton. The minutes do not reflect the source of the conflict, but it may have been partisan in nature. The president of the C & O was Arthur P. Gorman, one of the undisputed political powers in the state,⁵⁴ on 7 June 1880 the governor voted to replace the president and directors of the C & O, but lost. Thereafter nearly every issue involving the C & O was decided by a two-to-one vote, the governor losing.⁵⁵ This division on the board spread also to other political or patronage decisions. The same split occurred in August 1882 with the appointment of the insurance and tax commissioners, in November and December 1882 with the selection of B & O directors, and in April 1883 with the election of a captain for a new Fishery Force steamer.⁵⁶

The state's investment in the C & O Canal Company was not inconsiderable. By 1904 it consisted of \$3,375,000 in mortgages, \$4,375,000 in preferred stock, and \$788,000 in common stock, not to mention arrearages in interest and dividends. The board had made three determined efforts to sell the company, all in vain. In 1895 it advertised for bids and received three. One was for \$310,000 in cash, unconditional; a second, from the Washington and Cumberland Railroad, was a ninety-nine-year lease at \$13,000 annual rent, redeemable upon payment of \$300,000; the third, from the West Virginia Central, was for \$526,000, conditioned on the buyer being subrogated to the state's interest and the company property being sold at public auction within one year. The bids were rejected.⁵⁷

The second effort to divest the state's interest in the C & O was made in February 1899. Once again the board advertised, but received only one bid—from Charles Lord, apparently on behalf of the B & O, for \$300,000 cash. This bid was also rejected. Later that year the board tried a third time and received two bids. Lord bid \$425,000, but that was conditioned on all liens (about \$200,000 worth) being discharged. The West Virginia Central bid \$400,000 on the same basis, the highest *net* bid thus being \$225,000. These bids also were rejected by the board.⁵⁸

Finally, in 1905 the Board of Public Works "bit the bullet" and got rid of the C & O Canal Company for \$155,000. But not without a struggle. The advertisement produced two bids—one from J. H. Wheelwright, presumably representing the Western Maryland Railroad, for \$151,000 in state bonds, at par, and the winning bid from Fairfax S. Landstreet, supposedly on behalf of the B & O, for \$155,000 in state bonds. When the *Baltimore American* learned of these bids, it ran a story headlined "Rumors

53. *Ibid.*, 25 August 1875, 26 September 1877, pp. 280-81, 303.

54. Gorman served in the House of Delegates from 1869, becoming its speaker in 1879. He later became a state senator, president of the Senate, and chairman of the Democratic State Central Committee. From 1885 to 1897 he served as U.S. senator. According to James B. Crooks, "Maryland Progressivism," in *Maryland*, ed. Walsh and Fox, p. 592, "Gorman controlled Maryland politics from 1875 until his death in 1906. A personally devout, modest, and generous man, he was one of the most astute politicians in an age of rough and tumble partisan politics." In 1920 the General Assembly sought to have his portrait painted and hung in the State House, but Gov. Albert C. Ritchie vetoed the measure. See Acts of 1920, ch. 734. It was not unusual, of course, for presidents of the C & O to be politicians, or for politicians to be president of the C & O.

55. BPW Minutes, 7 June 1880, vol. 1851-83, pp. 332-33; 6 June 1881, pp. 360-64 (salary of C & O president and directors, proposal to direct the C & O to lengthen certain locks); 5 June 1882, pp. 383-84 (election of president and directors); 17 August 1882, pp. 394-95 (election of president and directors); 3 June 1883, p. 426 (election of president and directors).

56. *Ibid.*, 17 August, 23 November, 14 December 1882, 6 April 1883, pp. 394-95, 406-7, 408, 418.

57. *Ibid.*, 22 December 1904, vol. 1883-1905, pp. 354-67.

58. *Ibid.*, 7 February, 11 December 1899, pp. 262-63, 267.