

*Baltimore Morning Herald*  
February 8, 1901

***Lauterbach Offers \$5,500,000 for W.M.R.R***

***City Directors Consider the Tender at a Secret Meeting—  
Will Report Upon the Value of the City's Holdings at Once—Mayor Hayes' Views***

Mr. Edward Lauterbach, of New York, who, for some time, has figured in press dispatches as a coveter of the city's interest in the Western Maryland Railroad, has at last corroborated rumor by making a direct offer for the road.

It reached Mayor Hayes, apparently, some time ago, but was not made public until yesterday.

The figure named by the New Yorker is \$5,500,000. This is to be in full payment of the \$8,310,082.90 in mortgages and unpaid interest due the city.

*City Directors Meet*

The mayor referred the offer to the city directors of the road, and yesterday afternoon they held a hurriedly called meeting for the purpose of considering it.

Mr. Thomas Clendinen was the master of ceremonies at this gathering, and an effort was made to enshroud it in mystery.

It was held at the office of Ex-Mayor Davidson, in the Equitable Building, and present were all of the city directors—Mr. Davidson, Mr. Clendinen, Mr. George R. Gaither, Jr., Mr. Mendes Cohen, Mr. William Keyser, Mr. John A. Tompkins, Mr. Frank A. Furst and Mr. William T. Dixon.

After an hour's session the directors decided to begin work upon the report upon the road's condition, which Mayor Hayes requested them to make when they were appointed, 14 months ago.

Until this report is ready they will be undecided as to whether the city should sell its interest or not. In consequence the offer of Mr. Lauterbach must wait.

*Pledged to Secrecy*

No other word of what transpired at the meeting percolated through the doors. It had been arranged that a statement was to be given to the public "if anything was done." As no statement appeared it is apparent that the directors intended the public to infer that nothing was done. One and all they refused to discuss their transactions.

Mayor Hayes announced the receipt of Mr. Lauterbach's offer yesterday afternoon after he had received a visit from Mr. Clendinen.

“It came to me through Mr. Lauterbach’s secretary,” said the Mayor, “and I have turned it over to the city directors. Mr. Lauterbach makes it upon an estimated total value of the road of \$6,000,000. This seems mighty small in comparison with other estimates.”

### *Mayor Anxious to Sell*

“Do you think \$5,500,000 a fair price for the city’s interest?” the mayor was asked.

“On that point,” he answered, “I don’t care to express an opinion. I admit, however, that I am anxious to sell the road. The money received for it would make a very welcome nest-egg for the sewerage system fund. The sewers will cost \$14,000,000 and if we have part of this sum in hand it will be easier to secure the necessary legislation.”

And then the mayor branched off into a discussion of sewerage plans.

Mr. Hyland P. Stewart, the representative of the Philadelphia syndicate that some time ago opened negotiations for the purchase of the city’s holdings, said yesterday that as soon as the city directors decided upon the sale of the road he would make a direct offer.

“I visited Mayor Hayes some time ago,” said Mr. Stewart, “and he referred me to the city directors. Then I visited the latter and they referred me to the mayor. My inquiry as to the city’s valuation of its holdings was not answered. My inquiry as to whether the city was ready to consider an offer likewise went without a reply, and in consequence I made no further overtures. Until my clients are certain that the city is willing to sell they will name no figure.”

Mr. Stewart refused to disclose the names of the gentlemen he represents. The proprietors of the Philadelphia Times, according to Mayor Hayes, are interested in the syndicate.

“Will your offer be greater in amount than Mr. Lauterbach’s?” Mr. Stewart was asked.

“That I do not care to say,” he replied. “It will be worth considering, however. Of that I am sure.”

Further than this Mr. Stewart declined to discuss the matter. As soon as the city directors come to a decision, he said, he will renew negotiations.

### *Debt to the City*

January 1 the railroad’s net debt to the city was \$8,310,092.90. Of this amount \$4,783,272 is due on mortgages and \$3,877,187.09 is unpaid interest. From the sum of these items the £350,366.19 to the credit of the sinking funds of three of the loans is deducted. Until June last the company defaulted every year to a greater or less extent and the deficit was met by the finance commissioners. At present it is paying the interest upon the city’s holdings in full, and according to President Hood, will continue to do so henceforth. Upon its ability to fulfill this prediction the opinion of financiers is divided.