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Western Md. Sale Not Easy

City Would Have to Buy to Get Title

Stock Not in Control

Municipality Has Less Than One-Third of the Shares

Jones' Falls Franchise

Abutting Property Owners Might Be Expected to Put in Claims for Heavy Damages

A gentleman familiar with conditions surrounding the Western Maryland Railroad said yesterday that the flippancy with which a sale was talked about in various quarters was to him exceedingly amusing.

“In the first place,” said he, “the city’s relation to the Western Maryland is that of a guarantor, and it could not sell the road unless it first purchased it at a foreclosure sale. It is, of course, very doubtful whether public opinion would justify an application for a foreclosure, because the city is now being paid its interest (although large arrearages are still due) and the earnings of the company thus far this year are in excess of last, showing that its condition is becoming steadily better and indicating that the regular payment of interest will continue.

“All this talk about the city selling the road is, therefore, ridiculous. Of course, if the city held a majority of the stock the case would be different, but it does not. The stock issue of the company is \$682,250, of which the city holds only \$200,000. Consequently, if control through the stock were sought it would have to be at a price satisfactory to Baltimore city, to Washington county and to private holders of shares. All these facts complicate the situation considerably for anyone who imagines that all he has to do in order to buy the road is to walk down to the City Hall and hand over his check to receive title deeds in return.

The Falls Franchise

“I have given considerable thought to the legal side of the Western Maryland question,” the gentleman went on to say, “and that great Jones’ Falls franchise, about which so much has been said, seems to me to be not worth a \$5 bill. The city does not appear to have ever acquired any title to the bed of the falls, which, not being a navigable stream, belongs to the abutting property owners, those on each side owning to the middle of the stream. Thus, if an elevated railroad were constructed down along the falls the Western Maryland would, it seems to me,

become involved in countless suits for consequential damages. The Belt Line tunnel under Howard street would not be a marker to it.”

These various offers and rumors of offers appear, according to the gentleman here quoted, to indicate the desire of development companies in West Virginia to obtain a direct and easy outlet to tidewater through the Western Maryland.

In explanation of the peculiar fact that the city has more directors on the Western Maryland board than all the other stockholders combined, it must be remembered that the legislature stipulated that such should be the case in order to protect the city in its rights as a guarantor.

Another “Offer”

Mr. Hyland P. Steward, lawyer, 704 Equitable building, and a stranger, said to be a Philadelphia capitalist, called upon Mayor Hayes yesterday afternoon and announced that they desire to purchase the city’s holdings in the Western Maryland Railroad. Without inquiring as to the amount of their offer, the mayor referred them to the city directors.

After they had departed Mr. Hayes said that he did not remember the name of the stranger, and Mr. Steward subsequently refused to divulge it.

“He is a Philadelphian,” said he, “and he represents a syndicate. For the present I deem it better to keep his identity a secret. We desire to learn exactly how much the city will take for its holdings. Much has been printed about the value of the property, but no definite valuation has been fixed by the city.

“We have decided upon a limit to our bid, but do not care to state it until we have conferred with the city directors in the road. It is higher than the amount said to have been offered by New York capitalists mentioned in recent rumors. We do not represent a railroad desirous of absorbing the Western Maryland. In the event that our offer is accepted we will operate the road as an independent line, and may spend a considerable sum in improving it.”

Further than this Mr. Steward would make no statement. From a chance remark made by him, however, it seems possible that the parties he represents may be those who opened negotiations for the road during Mayor Maister’s administration.

As announced in the Herald of yesterday, the railroad’s indebtedness to the city is now \$8,310,092.90. There is very small likelihood that any syndicate will offer this amount for the city’s interest. Mr. Edward Lauterbach, of New York, is said to have announced his willingness to bid \$5,500,000.

Mayor Hayes is an advocate of the early sale of the road. Whatever sum might be received for it would make an exceedingly welcome nest egg in the sewerage system fund.

Mr. Steward will call upon the city directors in the road within a few days. To them he will announce the terms of the offer that the syndicate he represents is willing to make.