HISTORIC RESOURCE STUDY
CHESAPEAKE & OHIO CANAL NHP

10.
THE ECONOMIC IMPACT ON THE POTOMAC VALLEY OF THE C & O CANAL: 1828–1924

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1976

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I. IMPACT OF THE WESTWARD PROGRESS OF THE CANAL AND RAILROAD

On July 4, 1828, groundbreaking ceremonies were held to commence the construction of two transportation lines that were designed to link the East and the West—the Chesapeake & Ohio Canal and the Baltimore & Ohio Railroad. During the next quarter century both works were extended gradually up the Potomac Valley to Cumberland and beyond. Prior to January 1832 both lines were confined to the area east of the Catoctin Mountains by the existence of injunctions prohibiting land acquisition above that point.[1] In October 1830, the waterway was opened between Dams Nos. 1 and 2, and in September 1831, navigation was commenced between the Georgetown tidelocks and Little Falls.[2] The railroad reached Frederick in December 1831 and Point of Rocks in April 1832.[3] Thus at the time of the settlement of the legal controversy between the two rival companies in January 1832, both projects had nearly completed their works below the Catoctin Range, a distance of some 48 miles from Georgetown by canal and some 69 miles from Baltimore by rail. By the terms of a compromise approved on May 9, 1833, the joint construction of the two transportation lines through the narrow passes of the river between Pont of Rocks and Harpers Ferry was undertaken. The latter town was reached by the canal in November 1833 and the railroad in December 1834.[4]

Above Harpers Ferry the canal and railroad followed separate paths up the Potomac Valley. The railroad abandoned the Maryland side of the river and pursued a more direct course through the rugged and sparsely settled terrain of Western Virginia, free of the competition with the canal for the right-of-way, to a point just below Cumberland. Only for brief intervals did it return to the Potomac Valley prior to recrossing the river into Maryland. The canal followed the winding river to Cumberland remaining entirely within the immediate narrow confines of the valley on the Maryland side of the stream. Hence the canal, much of which was in the flood plain of the river, followed a more difficult and circuitous route.[5]

Since work on the canal above Harpers Ferry was in progress even before the completion of the joint construction above Point of Rocks, the 22.2-mile section between Dams Nos. 3 and 4 was opened in April 1834; six months after the waterway reached the Ferry.[6] By slackwater navigation in the pool formed by Dam No. 4, Williamsport could be reached, a total distance of about 100 miles from tidewater.[7]

In April 1835 the 22.3-mile section between Dams Nos. 4 and 5 was completed.[8]

Because of the financial and labor problems together with increasingly more difficult terrain to overcome, the waterway was not finished to Dam No. 6 near the mouth of the Cacapon River, some 135 miles above Georgetown, until April 1839.[9] By the time of the suspension of work in 1842, a considerable amount of excavation had been accomplished on the remaining fifty

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[1] *Second Annual Report* (1830), C & O Co., 9.
[2] *Proceedings of the President and Board of Directors*, B, 194, and C, 5. Also see Van Slyke to Mercer, Apr. 2, 1831, Ltrs. Recd., C & O Co. and *Niles' Register*. Vol. XL (Apr. 9, 1831), 91.
[3] Edward Hungerford, *The Story of the Baltimore & Ohio Railroad, 1827–1927*, (2 Vol., New York, 1928), Vol. I, 116–117.
[4] *Proceedings of Stockholders*, A, 170–174; *Proceedings of the President and Board of Directors*, C, 341–342 and D, 3; *Niles' Register*, Vol. XIV (Oct. 5, 1833), 84; *Ibid*. Vol. XLV (Nov. 23, 1833), 199; and Milton Reizenstein, *The Economic History of the Baltimore & Ohio Railroad, 1827–1857* (Baltimore, 1897), 29–32.
[5] Walter S. Sanderlin, *A Study of the History of the Potomac Valley*, (Washington, 1950), 87.
[6] *Sixth Annual Report* (1834) C & O Co., 4.
[7] Fredericksburg *Arena*, Oct. 6, 1835, quoted in *Niles' Register*, Vol. XLIX (Oct. 24, 1835), 127.
[8] *Niles' Register*, Vol. XLVIII (Apr. 11, 1835), 89.
[9] *Ibid*, Vol. LVI (Apr. 27, 1839), 131–132.

miles to Cumberland, but the work was to idle until November 1847 while numerous attempts were made to secure finances for the continuation of the work.[10]

In the meantime, the Baltimore & Ohio had pushed its railroad rapidly westward, paying little heed to one of its original sponsors, the State of Maryland, or to the needs and desires of the citizens of Western Maryland. The route chosen by the Baltimore railroad promoters in their race for the Cumberland coal trade and the Ohio Valley did carry tracks close to the Potomac River on the Virginia side opposite Hancock, but this provided little consolation to the inhabitants on the northern side of the river. Hagerstown and Williamsport, two of the most important towns in Washington County were completely ignored, although the former was eventually connected with the main line by a spur track from Weverton in December 1867.[11]

In this manner, the Baltimore & Ohio arrived at Cumberland in November 1842, eight years ahead of the canal, and continued westward.[12] The canal was formally opened as far as Cumberland on October 10, 1850, amid fanfare and enthusiastic celebrations.[13]

However, the Baltimore & Ohio continued to push its lines westward, reaching Piedmont in July 1851 and Fairmont in June 1852. On January 10, 1853, the railroad completed the connection of its eastern and western sections at Cumberland and opened its lines all the way to Wheeling on the Ohio River, some 379 miles from Baltimore. Thus, less than three years after the canal reached Cumberland, it was further outdistanced by its rival line for the lucrative east-west trade markets.[14]

[10] *Ibid*, Vol. LXIV (July 29, 1843), 342–343; *Ibid*, Vol. LXV (Aug. 12, 1843), 372–373; and *Twentieth Annual Report* (1848), C & O Co., 3–8.
[11] Hungerford, *The Story of the Baltimore & Ohio Railroad*, Vol. I, 70–72.
[12] William H. Lowdermilk, *History of Cumberland* (Washington, 1878), 351–352.
[13] Cumberland *Civilian*, reprinted in *Proceedings of the Stockholders*, D, 390–395.
[14] Lowdermilk, *History of Cumberland*, 376, Reizenstein, *Economic History of the Baltimore & Ohio*, 85.

II. IMPACT OF CONSTRUCTION OF THE CANAL AND RAILROAD

The Potomac Valley reflected the influence of the westward progress of the canal and railroad at almost every stage of construction. The farmer and other property holders benefited in many ways. Those fortunate enough to own land in the paths chosen by the two companies profited immediately from the sale of their property to the internal improvements companies.

From the first year of construction, the canal company was forced to pay exorbitant sums for the purchase of its right-of-way. While some of the landholders, on the route over which the canal was to pass, readily granted the company the title required, many others obstructed the work and refused to surrender their property voluntarily, in the hope of realizing great profits from forced sales. In the latter instances, condemnation proceedings were resorted to. These increasingly became the rule as construction moved up the river and as the speculation fever of the landowners rose.[15]

Among those who resisted the condemnation efforts of the canal company were those who held out for the highest possible price and those who would not sell for any price. The former included those who resisted the verdict of the juries, called for new trials and generally tried to secure higher prices by delaying tactics, which raised their nuisance value.[16]

The second group usually had other motives in the background. Charles Carroll, for example, brushed aside all offers for the purchase of land on Dougheregan Manor, his 10,000-acre estate in Frederick County. He was one of the founders of the Baltimore & Ohio Railroad, which at that time was locked in a struggle with the canal company for the right-of-way in the Potomac Valley.[17]

After the legal controversy was settled in January 1832, the canal company continued to face large land prices as the waterway entered Washington County, near Harpers Ferry. The first land condemned was that of Gerard B. Wager, a bitter opponent of the canal company. The damages awarded were very high, and the verdict provided a discouraging precedent for the directors who had hoped for more favorable settlements in the county. The determination of the local landholders to exact full satisfaction was further strengthened by the award of the utmost damages obtainable in the condemnation of land owned by Casper Wever, an official of the railroad and enemy of the canal project. Even some of the friends of the canal participated in the onslaught that followed. The more impatient proprietors resorted to injunctions to enforce prompt payment of their awards.[18]

In 1835 and 1836 juries in both Washington and Allegany counties continued to exact full satisfaction for land purchased by the canal company between Dams No. 5 and 6. Although the company won a victory in one appeal to the courts and the juries were severely censured, the hoped-for relief proved illusory. Land costs averaged $2,290 a mile, more than double the estimate of $1,000 made in 1834, ranging all the way from 2½ to 25 times the estimated costs. In a letter to the board, Commissioner George Bender described the situation as follows:

> I commenced my efforts to obtain there land with a strong hope of compromising and did in fact compromise with eight of the proprietors who has thus signed, and two others who had not before a simple jury was carried to the ground, viz. with Wade, Harvey, Brawles, Mrs. Jacques, Stottlemeyer, A. Snyder, Lespand, R. Summers, N. Summers and Michael Smith; but from these persons it had become necessary by the new line to acquire 191½

[15] *Proceedings of the Stockholders,* A, 41–41, and Walter S. Sanderlin, *The Great National Project: A History of the Chesapeake & Ohio Canal* (Baltimore, 1946), 79.
[16] *Proceedings of the Stockholders,* A, 42.
[17] Carroll to Mercer, Feb. 26, 1829, Ltrs. Recd., C & O Co.
[18] Sanderlin, *The Great National Project,* 91.

> acres at the aggregate sum of $7,372 instead of 108¾ acres at the aggregate sum of $5,575 as estimated by Mr. Cruger (in 1834). In other words, for the 41,664 feet length of canal through their estates, I had to pay $705.70 per mile. These compromises, however it must be borne in mind, consisted in large proportion of land of little or no value for cultivation and when I attempted to compromise for the more valuable portions of the line, yet confined myself at all within the limits of Mr. Cruger's estimate, I found myself entirely baffled. In some case the owners were minors, or their titles were not perfect, or there were claims for loss of mill power and etc., so that it became necessary to resort to the linguistics of juries as prescribed by the charter of the company.

Bender then noted the results of the jury awards:

	1834 Estimate	Cost
Heir of Dan Smith	$1,000	$2,300
J. Charles, Jr.	100	2,500
Sam Prather	1,000	2,960
Prather Heirs	500	1,287
Tobias Johnson	1,150	10,600
Otto	225	1,775
Linn	400	1,575
Peter Miller (per agreement)	150	1,200
J. Chambers	625	2,350
Widow Bevans	575	1,000

The commissioner concluded his report by stating that:

> So long as the value of the land taken is to be judged of by the neighbors and friends of the land proprietor brought together a jury against a company of strangers as they are taught to consider, so long will the expense attending the acquisitions be much greater than has been heretofore anticipated.[19]

Previous to this series of condemnations, some proprietors in Allegany County had been willing to compromise, if only to avoid paying the lawyers fees. The prices up to that time approximated the estimates of the engineers. Thereafter, the prospects for windfall profits were so promising that landowners were willing to pay legal cost to gain the larger damages.[20]

Potomac Valley residents also benefited from the increase in the value of the property not required by the canal and railroad. For instance, property values in Cumberland increased from $931,118 to $2,124,400 in 1860.[21]

This effect extended far beyond the immediate neighborhood of the new transportation facilities and was perhaps the most widely bared benefit of their construction. The cause of the increase in land values was the advantage, which these commercial arteries brought of cheap and easy access to the principal markets for their products and the major sources of their necessities.[22]

Another effect on the valley was the immigration of many persons seeking employment on the internal improvement projects. These people brought with them their families, their cus-

[19] Bender to President and Directors, May 31, 1836, Ltrs. Recd., C & O Co.
[20] Price to Washington, Oct. 25, 1836, Ltrs. Recd., C & O Co.
[21] Lowdermilk, *History of Cumberland*, 351, 388.
[22] Sanderlin, *A Study of the History of the Potomac Valley*, 89.

toms and their beliefs; sometimes, quite alien to the valley. The Catholic Irish were particularly disturbing to the established local communities comprised primarily of Protestant German and Scotch Irish stock, more so than the relatively fewer Dutch, German, Welsh and English immigrants. The presence of large numbers of persons in crowded and filthy temporary quarters also brought health problems to the valley. Minor epidemics among the Irish during the "summer season" were not unusual in the valley, and there were two major scares in 1832 and 1833 over the spread of cholera from the workers to the local inhabitants along the waterway. In addition, the presence of so many rough and trouble unassimilated laborers in a limited area saved the question of the maintenance of order. Drunken brawls accompanying all-night drinking bouts disturbed the valley, and clashes between the Irish factions in the mid-1830s terrified the citizens in the neighboring towns. The later disputes between the workers and the canal company and between the various nationalities employed on the lines, which erupted into violence on several occasions and put the inhabitants of the area into the difficult positions of militia arbiters and innocent victims. The groundswell of racial bitterness produced by these antagonistic events laid the foundation for the early rise of political nativism in Western Maryland during the 1830s.[23]

The inhabitants of the Potomac Valley were able to take an active part in the process of the construction. When agricultural workers were not pressing, many inhabitants took employment on the line of the worker. Because of the need for large numbers of workers and the relatively small pool of labor in the valley, the rate of wages remained at a high level throughout the construction firms and receive contract to build the various canal structures. The farmers found a ready market, relatively free of shipping costs and widespread competition, for their surplus food and drink. Lumber, the principal value of which previously had been as a local building product and as fuel, found a more profitable use in construction. Stone, which like lumber had heretofore been limited to local use, received a good price as ballast and building material, or, in the case of limestone, as a valuable ingredient in hydraulic cement.[24]

The last important way in which the Potomac Valley was influenced by the construction of the canal was in financial affairs. The valley prospered directly from the existence of the sizeable payrolls of the transportation companies, most of which was spent in the immediate neighborhood. The alternating cycles of boom business circles in the valley rose and fell with the employment and fortunes of the internal improvement companies. When the canal was nearly completed from Georgetown to Seneca, the *National Intelligencer* reported on June 29, 1830:

> The execution of this great National work has progressed with a rapidity as astonishing as it is unparalleled in the history of works of this description. A short time only has yet elapsed since the necessity existed of rousing public sentiment to proper appreciation of the importance of this great enterprise by essay after essay, and of diverting the national energy to its accomplishment by convention after convention. But now, only have the moral obstacles to its progress been removed, the root of prejudice eradicated, and the rock of error blown away, but physical obstructions, far more difficult than any one can appreciate who has not seen them, have been overcome, and, under the plastic hand of man, made subservient to the great interests of commercial intercourse.[25]

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[23] See Chapter VII of this study for more information on the canal's labor force and its effect on the Potomac Valley.
[24] *Proceedings of the President and Board of Directors*, A, 288; C, 357–361; Knapp, Ford and Chapman to President and Directors, Mar. 26, 1829, Ltrs. Recd., C & O Co. For more information on this subject also see Chapter VIII of this study.
[25] Washington, *National Intelligencer*, June 29, 1830.

On January 15, 1831, the Frederick *Town Herald* noted the enthusiasm with which Virginia and Maryland agricultural and lumber interests were using the first stretch of the waterway to be opened:

> The operations on this great work still continue, we are informed, with great vigor. As late as the 18th of December, the weekly returns of effective laborers gave 2,205 men and 379 horses. . .Very recently forty-five boats passed through the locks of the 17th and 18th sections in one day, laden with more than 6,000 barrels of flour, part of which descended by the Shenandoah, from Port Republic, a point within 20 miles of Stanton, the geographical center of Virginia; and another from Williamsport, in Maryland, 100 miles above the District of Columbia; and wood, for fuel, has already been brought down the canal a distance of 16 miles, from above the great falls of Potomac.[26]

Some five months later, on June 4, 1831, the same newspaper glowingly detailed the economic impact of the canal and railroad on the growth of business activity in Frederick:

> From the returns . . . we learn that during the quarter ending on the 12th ult. One thousand and ninety-three barrels of flour have been inspected in this city. The increased inspection has been caused by the demand for the laborers engaged on the public works in this vicinity – and if our natural advantages for the establishment of manufactories, especially on the Monocacy, were improved, the markets for the products of our farmers would be greatly extended. As Mr. Jefferson said: "The manufactures should be seated alongside the agriculturalist."[27]

In February 1835 when the canal company was attempting to lobby the Maryland legislature for additional pledges to its stock in an effort to keep construction of the waterway moving, *Niles' Register* reported on the beneficial effects that an affirmative decision would have on the trade of Cumberland and the commerce of the state it self as follows:

> For then a very heavy business must need be transacted on the canal, the town (Cumberland) just named becoming a great place of deposit between the east and west, whether commodities are proceeding to or from Pittsburgh or Wheeling; and especially from the former when the Monongahela shall be opened for navigation, as it will be, sooner or later.[28]

When work on the canal was suspended in early 1836 pending a further loan from the State of Maryland, the optimistic prospects for Cumberland changed to pessimism and depression:

> The stoppage of the work on the Chesapeake & Ohio Canal has caused a very considerable panic in Cumberland. Two hours after the arrival of the news, the price of produce came down at least 10 percent. Business still continues to be dull; our principal streets presenting an unusual barrenness; the merchant is idle; and the mechanic slow in the transaction of his business; the speculator is cut to the quick, and those who engaged to pay high rents on account of the prospects of the canal, have been suddenly and seriously

[26] Frederick, *Town Herald*, Jan. 15, 1831.
[27] Frederick, *Town Herald*, June 4, 1831.
[28] *Niles' Register*, Vol. XLVII (Feb. 21, 1835), 428.

> disappointed. Indeed, the citizens of the town generally, and the farmers for many miles around, have great cause to regret this temporary suspension.[29]

After the canal was completed to Dam No. 6 in the spring of 1839, the *National Intelligencer* noted the prospects for the improvement in canal trade and the need for completing the waterway to Cumberland:

> We may now expect a great increase to the trade of the canal, because the portion in use connects with the national road at Hancock.
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> Owing to the unusual low stage of the water at this season of the year, the river navigation between Cumberland and the point to which the canal is finished is very dangerous; so much so, that out of seven coal boats which left Cumberland lately, during a small rise in the river, but three reached the canal, the others being lost. This fact shows how important the completion of the canal is to the people of Maryland, as well as the advantages which the people of this district (District cities) may reasonably anticipate, upon the accomplishment of that event.[30]

When the Maryland legislature failed to authorize another appropriation for the completion of the canal to Cumberland before it adjourned in the spring of 1842 *Niles' Register* observed:

> The unfortunate disagreement between the two houses of the legislature of Maryland, in relation to amendments to the bill for completing this stupendous work to the coal and iron regions of Allegany County, which alone can bring the work into profitable operation, will have the inevitable effect of suspending all operations, for the year, and leave the unfinished work to certain dilapidation, with the contracts subject to expensive litigation, and the state saddled with the interest accruing upon seven million of dollars invested in the undertaking. . . So disastrous are likely to be the consequences of the upper counties of the state, that large meetings are convened and calls are making the Governor to convene an extra session of the legislature with the view of adopting a measure that would not only divert the catastrophe, but bring to our aid the vast resources that are now almost within our grasp.[31]

During the five-year suspension of work on the canal from 1842 to 1847, there were several unsuccessful attempts to negotiate new loans for the recommencement of construction. When one such attempt was first reported in July 1843, *Niles' Register* commented that "This is glorious news for Maryland."[32]

Later, in December 1843, after it was reported that an offer had been made to complete the canal for $1,300,000, *Niles' Register* noted that the waterway when finished, "will place Maryland in the very focus of the most prosperous and productive trade."[33]

In late 1845 when work was resumed briefly under a new contract, *Niles' Register* informed its readers:

> The subcontractors with apparatus and corps of laborers are now strewed all along the line from Dam No. 6 to Cumberland. Day is dawning again after a long gloomy night.

[29] *Ibid*, Vol. XLIX (Feb. 20, 1836), 426.
[30] *Ibid*, Vol. LVI (Apr. 27, 1839), 131–132.
[31] *Ibid*, Vol. LXII (Mar. 26, 1842), 52.
[32] *Ibid*, Vol. LXIV (July 15, 1843), 320.
[33] *Ibid*, Vol. LXV (Dec. 30, 1843), 276–277.

> The Williamsport *Banner* of the 1st inst. says the trade of that part of the Canal, which is completed, never before was so brisk. Immense quantities of flour, grain and other kinds of produce have been collected in our town, and are now ready for transportation to the District Cities. Thus, we understand too, is the case at other points along the line of the Canal. Within the last week or two, an unusually large number of boats have passed down the Canal.[34]

After lengthy negotiations, construction on the last portion of the canal was finally resumed in November 1847 under a contract with Messrs. Hunter, Harris and Thompson. Again business circles in the Potomac Valley and the surrounding region expressed their renewed faith in the future economic growth of the area, for example:

> Immense beds of the best coal exist at Cumberland; and Washington, Georgetown and [35]Alexandria will doubtless be highly benefited by the commerce in this article, as soon as they can ascend by this Canal to the primitive and exhaustless formations. In seventeen of the counties of Virginia and Maryland situated on the borders or vicinity of this canal, with a population of 232,784 persons, there have been raised in one year 14,425,134 bushels of grain, being nearly 62 bushels to each inhabitant. With about one seventy-third part of the population of the Union, according to the census of 1840, these seventeen counties produce one forty-second part of the grain raised in the United States.

The sufficiency or scarcity of money in the valley was also related in part to the level of activity on the transportation projects and the financial policies of their works both the railroad and the canal resorted to the issuance of their own paper money at various times. The Chesapeake & Ohio first issued scrip, amounting to some $90,000 in $5, $10, and $20 notes payable in one year at four percent interest in April 1834 to enable work to continue until the anticipated returns from the sale of Maryland bonds could be realized. The first experience was uneventful because the proceeds of the bond sale were more than sufficient to redeem the notes by September 1835. In fact, it was very popular throughout the valley, for it prevented a work stoppage.[36]

In the currency famine following the panic of 1837, both the railroad and canal had occasion to resume the issuance of paper money. The anticipation of the proceeds from the sale of additional Maryland bonds again provided the necessary excuse for the action. Accordingly, the canal company on June 7 determined to issue scrip amounting to $50,000 in notes of denominations between 50 cents and $5, the size of the notes being accounted for by the fact that there were almost no notes in the valley of less than $5 value.[37]

Once more the decision was at first a popular one in the valley. Joseph Shriver, the president of the Cumberland Bank of Allegany County informed canal officials on June 29, 1837, that his institution approved of the company's plan to put small notes into circulation and requested several hundred dollars' worth as there was an urgent call for them.[38]

Two weeks alter on July 12, Shriver again requested $200 to $300 of company notes as those "already recently have been paid out and the demand for them continues as great as ever." Unless the company notes were placed in the hands of the Cumberland citizenry as quickly as

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[34] *Ibid*, Vol. LXIX (Nov. 8, 1845), 147.
[35] *Ibid*, Vol. LXIV (Nov. 1, 1848), 286.
[36] *Proceedings of the President and Board of Directors*, D, 408, and *Niles' Register*, Vol. XLVI (Apr. 26, 1834), 133, and Vol. XLVII (May 3, 1834), 149.
[37] *Proceedings of the President and Board of Directors*, E, 268–269.
[38] Shriver to Ingle, June 29, 1837, Ltrs. Recd., C & O Co.

possible, other notes would begin flowing into the town "from all quarters to supply the amount of change" and reduce the demand for the canal notes.[39]

Even in Baltimore public sentiment was in favor of the canal company decision to issue scrip. According to the President George C. Washington on August 13, 1837, an article in the Baltimore *Gazette* on the previous day, compliments the directors for their "spirit and foresight on assuring that we have nearly a million in circulation, when in fact we have not $50,000." The demand for corporate notes was so great in the north that it was estimated that arrangements could be made "for the reception in New York alone for a quarter of a million of our small notes, without obligation to pay interest." Similar results were predicted for canal scrip in both Philadelphia and Baltimore. Already corporate issues of small notes had supplanted entirely the market for individual notes in the latter city.[40]

The popularity of the corporate scrip and the failure of the expected sales of the State bonds to materialize, forced the canal and railroad enterprises to enlarge their issues. From the limited issue of notes of small denominations only, which had been a temporary expedient to fill a gap in the local monetary picture, the two companies proceeded to large-scale emissions of notes. In August and September 1837 the canal company authorized the printing of $260,000 worth of $5, $10 and $20 notes, payable at six months after date and bearing an interest rate of six percent.[41]

At the same time the unfavorable condition of the market, which was indicated by the lack of sales, made the security behind the notes the subject of doubt. Discounting of notes became frequent; even the Baltimore & Ohio's notes, which had been issued to pay employees' salary, were discounted 20 percent in Cumberland and 25 percent in Baltimore as late as 1842, on the eve of its completion to the former town.[42]

Indirectly, the Potomac Valley was affected by the impact of the heavy cost of the railroad and canal projects on the finances and credit of the State and local banks. Taxes, property values, the condition of local currency and the state of business health itself were all dependent in part on the State and upon the larger banks in Baltimore and the eastern part of the state.[43]

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[39] *Ibid*, July 12, 1837, Ltrs. Recd., C & O Co.

[40] Washington to Ingle, Aug. 13, 1837, Ltrs. Recd., C & O Co.

[41] *Proceedings of the President and Board of Directors*, E, 298–299, 317, 426. Ultimately, the following notes were issued: 6,000 sheets of two $5 notes, one $10 note and one $20 note = $240,000 and 500 sheets of two $5 notes, one $10 note, and one $20 note = $20,000. The form of the notes was as follows: $20 note—the $20 note of the Bank of Montgomery County with the exception of the margin on the ends for which was substituted the ends of the Urganna Banking Company $20 note; $10 note—the $1 note of the Philadelphia Loan Company with the end margin of the $10 note of the Bank of the State of Arkansas; and $5 note—the $10 note of the Bank of Rochester with the end margin of the $50 note of the Columbia Bank and Bridge Company. Ingle to Underwood, Bald Co., Aug. 1837, Ltrs. Recd., C & O Co.

[42] Lowdermilk, *History of Cumberland*, 350. Ironically, shinplasters circulated by the Good Intent Stage Company were still redeemed at face value.

[43] Sanderlin, *A Study of the History of the Potomac Valley*, 93. For instance, state stocks fell to 64 percent of par value in March 1844 after the state legislature refused to pass a bill providing for the completion of the canal to Cumberland. When the bill had been under consideration and had a chance of passage, the state stocks had sold at 82 percent of par value in Baltimore. Coale to Ward, Mar. 14, 1844, Ltrs. Recd., C & O Co.

III. IMPACT OF ENLARGED PROJECTS THROUGH THE ADDITION OF BRANCH LINES AND CONNECTING TRADE LINKS

The canal was not "complete" when it reached Cumberland. Unlike the Baltimore & Ohio however, the canal was unable to extend its waterway over the mountains to the Ohio River. Nevertheless much work was done during the late 1820s and early 1830s in surveying the route, securing land titles, and making detailed plans for the proposed middle and western sections of the canal between Cumberland and Pittsburgh.[44]

The project was dropped and lay dormant for some forty years before it was revived in the early 1870s during the most prosperous years of the canal trade. At that time, it was estimated that the canal could be extended to the Ohio River at a cost of between $24,000,000 and $28,000,000.[45]

With the decline of the coal trade, the bitter competition of the railroad and the deterioration of the waterway itself during the following decade, the project was not seriously considered again.[46]

In addition to the ambitious planning for the extension of the main line of the Chesapeake & Ohio to Pittsburgh, several branches were considered by the directors and by other interested promoters. Among these were a number of feeders in the Potomac Valley and three extensions from the eastern terminus of the waterway, all of which would have the effect of binding the valley more closely together and of expanding the benefits on the main line.

At various times almost every major tributary of the Potomac River was considered as the site of a possible feeder. One projected branch up the Monocacy River to Frederick was frequently discussed in 1829. In February of that year the Canal directors agreed to build a feeder to supply water from the Monocacy River to a canal to be built by the newly incorporated Frederick County Canal Company connecting the town of Frederick with the Chesapeake & Ohio.[47]

At about the same time, the board recommended that a connection between the Monocacy and the Susquehanna might be effected, thus providing an inland waterway to New York.[48]

Dr. John Martineau and Frederick authorized a survey of the proposed Monocacy improvement during the summer and fall of 1829 and estimated the cost of the 24-mile waterway at $296,389.[49]

The citizens of Frederick soon lost interest in the waterway however, and turned again to the railroad. The canal directors, who had looked upon the branch primarily as a feeder for that part of their own canal above Dam No. 2, were greatly disappointed by this lack of cooperation. Seeking ways of utilizing its waterway above the Seneca Dam while the railroad injunction was still in effect above Point of Rocks, the Canal board again considered the Monocacy River as a

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[44] "Reports and Letters from the Engineers Employed in the Revised Location of the Western Section of the Chesapeake & Ohio Canal," in *First Annual Report* (1829) C & O Co., 104 ff. and William Archer, "Communication from Wm. Archer, esq., to the Stockholders of the Chesapeake & Ohio Canal, On the Subject of the Location of the tunnel through the Allegany Mountain", (Washington, 1835), 1–7.

[45] Records Concerning Proposed Extension of the Canal, ca. 1874, C & O Co., U. S. Congress, House, *Letter of the Secretary of War on the Extension of the Chesapeake & Ohio Canal*, Exec. Doc. 20, 43rd Congress, 1st Session, April 14, 1874, 5–9; and U. S., Congress, House, *Letter of the Secretary of War, Transmitting the Report of Engineer Merrill on the Chesapeake & Ohio Extension*, Exec. Doc. 137, 44th Congress, 1st Session, Mar. 2, 1876, 2–3.

[46] The subject of the western extension of the canal was speculatively revived during World War Two and in the late 1920s and early 1930s. The cost of the project was estimated at $219,000,000 in 1930 and $242,000,000 in 1934. Washington *Star*, Jul. 17, 1927, Oct. 25, 1929, May 4, 1930 and Sep. 30, 1934.

[47] *Proceedings of the President and Board of Directors*, A, 164.

[48] *Proceedings of the Stockholders*, A, 53.

[49] Frederick *Examiner*, quoted in *Niles' Register*, Vol. XXXVII (July 4, 1829), 302, and *Niles' Register*, Vol. XXXVIII (Mar. 20, 1830), 69.

feeder in 1831, along with the Little Monocacy, Tuscarora Creek, Broad Run, Abraham's Branch and other streams below that town.[50]

The board of directors also showed some interest in the development of the Shenandoah River trade and detailed plans were drawn up to make that river navigable in February 1832.[51] However, the strained financial condition of the company made it impossible to undertake any major work on that river. As its resources neared exhaustion, the improvement of any tributaries of the Potomac by the canal company in the immediate future was impracticable. In 1831, the company waived its rights to those branches in order to encourage the organization of state corporations to make the branches navigable and serve as connectors to the canal. Company officials were especially eager to see such enterprises improve the Monocacy and Antietam and Conococheague Creeks.[52]

Later in November 1838 the canal directors appealed in vain to the Virginia legislature for aid to connect the Chesapeake & Ohio with the South Branch, Cacapon and Shenandoah Rivers and make improvements on them for navigation purposes.[53]

In March 1839, the board gave its assent to acts of the Maryland and Virginia General Assemblies incorporating the Union Company and the Union Potomac Company to construct a canal or slackwater navigation on the North Branch of the Potomac from the proposed terminus of the Chesapeake & Ohio at Cumberland to the north of the Savage River, but the project was never undertaken because of the extended delay of the main line in reaching that town.[54]

There were three projects for independent canals to tap the trade of the main stem at its eastern terminus, two of which were ultimately carried to completion and put into operation. The Maryland ("Cross-Cut") Canal, which would have connected Baltimore with the main stem, was under consideration until 1839 and again briefly in the a870s, but it was never built because of its prohibitive cost, the rapid westward construction of the railroad and the various competing political rivalries in Maryland and between Baltimore and the District Cities.[55]

However, the Washington City and the Alexandria Canals were finished, and the latter became an important outlet for the trade of the Chesapeake & Ohio.

The Washington City Canal, which had been built between 1810–1815, was a 2¼-mile waterway connecting the Potomac and Anacostia Rivers. It extended from the mouth of Tiber Creek to the foot of present New Jersey Avenue at the Eastern Branch, with the second line following the course of James Creek from a junction with the first route near the present intersection of New Jersey Avenue and E Street, S.E., to the Anacostia River east of Greenleaf Point (present day grounds of the War College).[56]

The organization of the Chesapeake & Ohio Canal Company revived interest in the already deteriorating city canal as a means by which the trade of the former could be brought to Washington. The city and the Chesapeake & Ohio reached a compromise in September 1828 by which the latter agreed to extend its waterway from Rock Creek Basin to a basin, which the city undertook to construct at the mouth of Tiber Creek.[57] The extension of the Chesapeake & Ohio was completed in 1837 at a cost of $310,000, of which Congress appropriated $150,000, and its

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[50] *Proceedings of the Stockholders*, A, 132 and *Proceedings of the President and Board of Directors, B, 384–385; C, 35.*
[51] Stewart to Mercer, Feb. 10, 1832, Ltrs. Recd., C & O Co.
[52] *Proceedings of the Stockholders*, A, 190–192.
[53] *Proceedings of the President and Board of Directors*, E, 521.
[54] *Ibid*, F, 31–33.
[55] Sanderlin, *The Great National Project*, 171–175.
[56] Wilhelmus Bryan, *A History of the National Capital* (2 Vol., New York, 1914–1916), Vol. I, 499–501; and Sanderlin, *The Great National Project*, 175–177.
[57] *Proceedings of the Stockholders*, A, 23–24.

operation as a toll-free public highway was placed under the control of a commission appointed by the city council.[58]

Although the Washington City Canal remained one of the possible outlets for the trade of the Potomac Valley until the 1880s, it was seldom used for a variety of reasons. Among those were the following:

1. The tide consistently filled the channel, requiring continual dredging operations.
2. In the early years, the trade on the main canal and the demand of the city markets were not great enough to provide much business for it.
3. By the time the Chesapeake & Ohio was completed to Cumberland, the canal boats had become so large that navigation under the low Georgetown bridges was virtually impossible; hence, trade with both Georgetown and Washington declined as boats crossed the Potomac Aqueduct to reach tidewater at Alexandria.
4. In 1871, four years after Georgetown bridges were raise, Congress took over the direction of city affairs, and the city canal was neglected as Congress was not interested in the commercial development of the city as much as it was in its role as the National Capital.[59]

The most important of the proposed extensions of the Chesapeake & Ohio was the canal to Alexandria built between 1831 and 1843 at a cost of $1,250,000. To obtain a reasonable proportion of the anticipated increased commerce from the Chesapeake & Ohio, local merchants took the lead in the formulation of the Alexandria Canal Company to construct a tidewater canal along the south bank of the Potomac from an aqueduct across the river above Georgetown. The major undertaking in the project was the Potomac Aqueduct, a structure over 1,500 feet long, 30 feet wide and 5 feet deep. Eight stone piers rising from the bed of the river and two stone abutments on the north and south banks carried the wooden trunk, in excess of 1,000 feet, across the river and some 30 feet above tide. The company over-came the hostility of Georgetown, whose merchants saw the project as a threat to their monopoly of the valley trade, and surmounted the failure of the Chesapeake & Ohio to build the northern abutment of the aqueduct as was required of it by an agreement.[60]

By 1850 the Alexandria branch had become the primary outlet of the Chesapeake & Ohio to the river, for the Georgetown bridges were too low for many of the canal boats and Rock Creek Basin was often greatly filled in and generally out of repair. From 1867, when the Georgetown bridges were raised, to 1887, when Congress purchased the Potomac Aqueduct and converted it to a bridge, Alexandria had to share the coal trade on the canal, which gradually declined until it became negligible.[61]

Aside from the independent canal connection at its eastern terminus, the Chesapeake & Ohio encouraged and facilitated other connecting trade links with its main stem. The company constructed three river locks to provide direct boat communication between the Virginia side of the river and the canal. The three locations were: Edwards Ferry, built in 1835–38, to tap the rich agricultural commerce of Loudoun County; near Sandy Hook just below Harpers Ferry, built in 1832–33, to connect with the Shenandoah River trade; and across from Shepherdstown, built in

[58] *Ibid*, A, 224–225; and Bryan, *A History of the National Capital* Vol. II, 110.
[59] Sanderlin, *The Great National Project*, 178–179; Bryan, *A History of the National Capital* Vol. II, 265–266, 576, 626; and *Proceedings of the Stockholders*, E, 185.
[60] *Niles' Register*, Vol. XL (July 9, 1831), 328; *Ibid*, Vol. XLVIII (June 1835), 241; Washington *National Intelligencer*, Dec. 1843; Sanderlin, *The Great National Project*, 179–182; and Washington D.C., Georgetown, and Alexandria Collection, Holland Loan, Library of Congress.
[61] *Proceeding of the President and Board of Directors*, N, 362, and Sanderlin, *The great National Project*, 182.

1833–35, to procure the business of that town and the surrounding hinterland of Jefferson County. The guard locks at each of the canal dams across the Potomac permitted boats to enter and exit the canal and cross the river in the slackwater pools behind the dams. In addition, the canal company encouraged the operation of ferries or constructed bridges across its waterway at points where established trade routes were already located between the Maryland and Virginia sides of the river.[62]

During the 1870s the Chesapeake & Ohio Canal Company sought to promote the continued expansion of trade in both agricultural produce and coal by facilitating the construction of the Cumberland Valley Railroad and the Western Maryland Railroad where those lines touched upon the canal's rights. This policy had the effect of both expanding the economic benefits of the canal and knitting the valley more closely together. Completed in 1874, the Cumberland Valley Railroad was a short line extending from Harrisburg to Winchester, crossing the canal just below Williamsport at Powell's Bens. At that point the canal directors agreed to allow the construction of wharf facilities for loading and unloading of coal, lumber, and agricultural produce.[63] The Western Maryland Railroad, completed in December 1873, provided a connection between the canal at Big Pool just above Williamsport and Baltimore. It was anticipated that the waterway would carry most of the railroad's coal business from Cumberland to the western terminus at Big Pool.[64]

The canal company also encouraged the construction of railroad spur lines between the Cumberland Basin and the coal fields west of the city. By January 1877 there were four such existing rail lines as follows:

1. The Baltimore & Ohio passed through the town westward up the North Branch to Piedmont where it connected with the southern portion of the Cumberland coal region. As the decision of the Maryland Court of Appeals in 1832 had sustained the claim of the canal company to the prior location of its waterway in the valley, the railroad needed the approval of the canal board for its proposed route through the town. Accordingly, on February 14, 1851, the two companies signed a contract whereby the route of the railroad was approved and tracks were constructed to the canal basin between Hay's and Shriver's Mills. Since any railroad from the coal fields in the Frostburg, Georges Creek and Savage River districts would have to cross the Baltimore & Ohio to reach the canal, the canal company required it to permit its tracks to be crossed by other railroads seeking to reach the canal basin, when so requested by the canal directors.[65]
2. The Cumberland and Piedmont Railroad was the result of a consolidation of various railways running from Cumberland to all the coal mines west of that town. Terminating at Piedmont, where it connected with the Baltimore & Ohio, this railroad carried all the coal mined in Western Maryland that passed to the canal, the Baltimore & Ohio, and the Pennsylvania Railroad.[66]
3. The Cumberland and Pennsylvania Railroad, which had taken over the lines of the Mount Savage Railway, ran from the coal basin in Cumberland through the narrows of Wills Creek to the Mount Savage Coal mines. From there it extended over the mountains

[62] *Proceedings of the President and Board of Directors*, C, 242–243. Also see Chapter IX of this study for more information on this subject.
[63] *Proceedings of the President and Board of Directors*, L, 469–470, and *Forty-Fifth Annual Report* (1873), C & O Co., 16 –17.,
[64] Hood to Gorman, Mar. 11, 1876, Ltrs. Recd., C & O Co. and *Forty-Sixth Annual Report* (1876), 18. The anticipated coal trade was never fully realized as the Western Maryland Railroad failed to obtain adequate terminal facilities in Baltimore.
[65] Hamill, Brannon and Farmands to President and Directors, Jan. 9, 1877, Ltrs. Recd., C & O Co., and Sanderlin, *The Great National Project*, 245.
[66] Hamill, Brannon and Farmands to President and Directors, Jan. 9, 1877, Ltrs. Recd., C & O Co.

where it connected with Georges Creek Railroad, thus offering a continuous line from Cumberland to Piedmont.[67]

4. The Pittsburgh and Connellsville Railroad, which had at one time been controlled by the Baltimore & Ohio, extended from the canal basin through the narrows of Will's Creek up to the Pennsylvania State Line and on to Pittsburgh.[68]

During the period 1878 to 1880, the canal company attempted to secure an independent connection with the coal fields in order to reduce the cost of transportation for the coal companies and to free the waterway of its dependence as a coal carrier on the aforementioned railroads. It sought to facilitate the construction of no less than four independent railroad companies with the canal basin at Cumberland by invoking the agreement of 1851 to compel the Baltimore & Ohio to permit the roads to cross its tracks. Among these were the following:

1. The Georges Creek and Cumberland Railroad, organized and incorporated in 1879, built its line from the center of the Georges Creek coal field to Cumberland, a distance of 24 miles. There it connected with the canal basin and the Baltimore & Ohio.[69]
2. Two railroad companies, the Bloomington and Fairfax and the Potomac and Piedmont, agreed in 1880 to build short feeder lines to the Baltimore & Ohio Railroad on the promise of special rates from the canal for coal shipped over it.[70]
3. In 1880 the canal board invoked the agreement of 1851 at the request of the Pennsylvania Railroad to compel the Baltimore & Ohio to permit the former road to cross its tracks in order to enter Cumberland and connect with the basin.[71]

In 1886 and 1887 an independent connection with the West Virginia coal fields was realized with the completion of the Piedmont and Cumberland Railway, a subsidiary of the West Virginia Central and Pittsburgh Railroad Company. This railroad built its line down the Potomac Valley to the south of the Baltimore & Ohio, and therefore was not balked in its efforts to reach the canal by the refusal of that company to permit a crossing of its tracks. Approaching Cumberland basin from the west, the Piedmont and Cumberland quickly gained the consent of the waterway to a connection with the basin wharf.[72]

Like the canal company, the Baltimore & Ohio constructed branch railroads that played a role in knitting the Potomac Valley more closely together as well as expanding the economic benefits of its main line. Among these branches were the following:

1. On December 1, 1867, the Washington County Railroad was opened for the 24-mile distance from Weverton on the main stem to Hagerstown
2. In 1868 the Metropolitan Branch was opened, making a direct connection between Washington, D. C., and Point of Rocks and thus shortening by some 54 miles. The previous circuitous rail route between the national capital and the west.
3. The 28-mile Winchester and Potomac Railroad between Winchester and Harpers Ferry, which had been opened for service in 1836, was taken over by the Baltimore & Ohio in

[67] *Ibid.*
[68] *Ibid.*
[69] *Fifty-Second Annual Report* (1880), C & O Co., 12, and John Thomas Scharf, *A History of Western Maryland* (2 Vol. Philadelphia, 1882), Vol. II, 1430–1431.
[70] *Fifty-Second Annual Report* (1880), C & O Co., 13, and *Proceedings of the President and the Board of Directors*, N, 99–100, 112.
[71] *Proceedings of the President and the Board of Directors*, N, 114–115.
[72] *Fifty-Ninth Annual Report* (1887), C & O Co., 11, and *Proceedings of the President and Board of Directors*, N, 345–346.

1848. Between 1866 and 1870 it was extended some 20 miles to the Shenandoah Valley town of Strasburg where it made connection with the Strasburg and Harrisonburg Branch of the Virginia Midland.

4. In 1871 a branch railroad was built from Cumberland to Pittsburgh, which for years had been regarded as the exclusive province of the Pennsylvania Railroad.[73]

As has already been mentioned, the effect of the branch lines to the main stem of the Chesapeake & Ohio Canal and the Baltimore & Ohio Railroad was to knit the Potomac Valley more closely together and to expand the economic benefits of the principal lines. The operation of this new transportation network completed the revolution in the life of the valley begun by the Ohio Company in 1749, the Potomac Company in 1785, and the National Road in 1806 and advanced during the period of the construction of the canal and the railroad. The essentially isolated, agricultural pattern of life was modified to accommodate an expanded commercial, mining and limited industrial development.[74]

The principal influence of the canal and railroad transportation systems, in their operation, was as a basis for all trade and communication in the valley. Evan the local road networks in some areas were keyed to the two main lines. For example, it was reported in the Washington *Star* on June 10, 1889, that the closing of the canal by the recent titanic flood had taken away in Montgomery County,

> the means of transportation from a belt of county averaging 10 miles on the side of the canal, and which at present has no outlet except by wagon over inferior roads to stations on the Metropolitan Branch of the Baltimore & Ohio Railroad . . . while the uncertainty of future transportation has caused almost panic among the landowners. . . Another indirect loss, in case the canal is not restored or a railroad built on its bed, is the change in roads, which will be necessary. The canal is the objective point of many roads in this county. These will have to be changed or closed, and new roads laid out to enable people to get to market.[75]

There was a marked shift of trade from the historic north-south route following the natural contour of the valley to an east-west direction based upon the two new transportation systems. This was accompanied by a decline in the prominence of numerous ferries across the Potomac as well as other remnants of local provincial trade arteries. In their early operating years both companies were interested both in local and through trade, but the railroad gradually concentrated on the latter and thus out distanced its rival work as a carrier.[76]

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[73] Hungerford, *The Story of the Baltimore & Ohio*, Vol. I, 70–72, 113–119.
[74] Sanderlin, *A Study of the History of the Potomac Valley*, 94.
[75] Washington *Star*, June 10, 1889.
[76] Sanderlin, *A Study of the History of the Potomac Valley*, 94–95

IV. IMPACT OF THE OPERATION OF CANAL AND RAILROAD

A. NEW INHABITANTS

The operation of the canal and the railroad had a significant impact on the socio- economic development of the Potomac Valley. A new type of inhabitant was brought to the valley, even as the construction period had drawn a new group of people to the hitherto largely isolated, agricultural valley dotted with small Protestant Scotch-Irish and German communities. The canaller—including lock keepers, maintenance crews, and boatmen—who generally lived in close proximity to the canal were the most pronounced of the new type during the operating period. Their life was a hard one, irregular and unpredictable, and their independent habits fitted their lifestyle. Highly individualistic, yet definitely feeling themselves to be a group apart from the mainstream of valley society, the canallers usually shunned the towns, because it cost too much to buy provisions and they felt out of place even while wintering along the line of the waterway, they had their own settlements on the fringes of the towns or often quite far from them. As a rule, their coarse behavior, disrespect for authority, and lack of civilized ways made them the cause of unease among the farmers and townsfolk. Yet the purchasing power they brought into the valley economy and the services they performed made them an indispensable part of its existence, however grudgingly this fact might be conceded.[77]

The impact of the canallers on the valley economy was amply demonstrated in an article in the Williamsport *Pilot* on February 8, 1873:

> The Chesapeake & Ohio Canal employs 400 boats constantly during the boating season. These boats require 2,000 head of mules, and give employment to 2,000 persons directly and 2,000 indirectly. The mules consume at least 25,000 barrels of corn, 3,840 bushels of oats, and 500 tons of hay. This provender, which is mainly purchased along the line of canal, costs in the aggregate $60,000. The wages of employees, other than hands on repairs, amounts to the sum of $156,800. These figures are rough estimates, based on the lowest prices for everything, and will be found in the main, lower than the actual figures would make them. And from them some idea may be formed of the real worth of this work to the people of Maryland.[78]

B. ECONOMICAL TRANSPORTATION AND AGRICULTURAL DIVERSIFICATION

To the basic agricultural existence of the Potomac Valley, the waterway and railroad provided the stimulus of a cheap and easier access to the markets of the District Cities and Baltimore. An indication of the immediate impact on the agriculture of the valley appeared in *Niles' Register* on April 9, 1831 noting that upon the completion of the canal between Little Falls and Dam No. 2 the shipping costs to Georgetown for a barrel of flour had fallen from $1 to 30 to 50 cents and eventually to 7 cents, including tolls. During the last ten days of March some 30,000 barrels of flour "with much other merchandise" had descended the waterway, providing the canal company with nearly $3,000 in toll revenues.[79]

When the canal reached Harpers Ferry in November 1833, it had a similar effect on the cost of transporting flour and wheat. Formerly, it had cost between 85 cents and $1 to send a bar-

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[77] Sanderlin, *A Study of the History of the Potomac Valley*, 95.
[78] Williamsport *Pilot*, Feb. 8, 1873, in Arthur Pue Gorman Collection, University of North Carolina Library, Chapel Hill, NC.
[79] *Niles' Register*, Vol. XL (April 9, 1831), 91, 95, and Lee to Mercer, Jan. 13, 1831, Ltrs. Recd., C & O Co.

rel of flour to Georgetown by wagon, but the opening of the waterway resulted in a reduction of this cost to 40 cents. In a similar manner, the canal allowed a reduction of 12 cents per bushel for the transportation of wheat from the Ferry to the District Cities.[80]

The three principal agricultural products carried on the canal were flour, corn and wheat. The flour trade via the waterway started at 151,966 barrels in 1842 and exceeded 200,000 barrels each year from 1848 to 1853, reaching a peak of nearly 280,000 barrels in 1850. The rapid increase in the flour trade resulted from the westward progress of the canal into the rich grain-growing areas of the upper Potomac Valley and from the fact that the farmers and millers of Franklin, Fulton, Bedford and Somerset Counties of southwestern Pennsylvania began using the waterway in 1884 as their principal means of transport since it afforded "them the cheapest and most convenient mode of transportation to market."[81]

A severe drought in the valley during the mid-1850s reduced the canal's flour trade by some 50 percent.[82]

During the late 1850s and the Civil War years, the railroad began virtually to monopolize the valley flour trade, and the canal never carried more than 24,000 barrels of flour after 1867.[83]

Flour shipments on the Baltimore & Ohio increased from 146,936 barrels in 1832, to 294,385 in 1842, and to 774,410 barrels in 1862,[84]

Large quantities of wheat and corn were also shipped on the canal. The former averaged about 225,000 bushels a year between 1842 and 1849, 275,000 bushels a year between 1850 and 1850, and nearly 415,000 a year between 1866 and 1878, reaching a peak of 605,880 bushels in 1869. The latter averaged about 145,000 bushels a year between 1842 and 1849, 170,000 bushels a year between 1850 and 1860, and nearly 100,000 bushels a year between 1866 and 1878, reaching a peak of 431,760 bushels in 1867.[85]

The stimulus that the canal provided to increase agricultural production in the Potomac Valley by offering economical transportation of produce to market was underscored by Victor Cushwa, a leading Williamsport merchant and canal shipper, in two newspaper articles in the late 1880s. On December 30, 1887, he observed in the Hagerstown *Mail* that:

> When our canal was flourishing, until recent years, our farmers within its reach frequently got more for their grain, hay, potatoes, etc. than they commanded in Baltimore or other eastern markets, thereby appreciating real-estate, private and public wealth.[86]

After the canal had been wrecked by the titanic flood of 1889, Cushwa noted in the Baltimore *Sun* of December 26, 1889, that:

> The failure on the part of the management to repair and operate the canal has brought upon our people the most disastrous results. Lose of business, labor and property amounting to hundreds of thousands of dollars, and the depreciation still going on, are matter that go down deep into the recesses of the heart, and most seriously affect the prosperity of the people of Western Maryland, to so many of whom the canal was the only market

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[80] Millard Kessler Bushong, *Historic Jefferson County* (Boyre, 1972), 122.
[81] *Proceedings of the Stockholders*, C, 461, and Sanderlin, *The Great National Project*, 306–307.
[82] *Twenty-Seventh Annual Report* (1855), C & O Co., 13–14.
[83] Enbrey to Somnto Dellinger, Apr. 26, 1862, Ltrs. Recd., C & O Co., and Sanderlin, *The Great National Project*, 30 – 33.
[84] Reizenstein, *The Economic History of the Baltimore & Ohio Railroad*, 74–75.
[85] Sanderlin, *The Great National Project*, 306–307, and Sanderlin, *A Study of the History of the Potomac Valley*, 96. Shipments of grain on the railroad increased from 14,120 bushels in 1832 to nearly 200,000 bushels in 1852. Reizenstein, *The Economic History of the Baltimore & Ohio Railroad*, 75.
[86] Hagerstown *Mail*, Dec. 30, 1887, in Spates Papers.

> and sole artery of trade. Our own fertile county of Washington, noted for its fine farms and thrifty farmers, is skirted by the canal a distance of 77 miles out of the 185 miles, the canal's entire length. The farmers of our sister counties in Pennsylvania (Franklin and Fulton), notwithstanding that many of them were favored with shipping facilities by near-by railroads, found better markets on the line of the canal, and hauled to it from miles inland the products of the farm, returning with coal, plaster, lumber, etc., benefited by the exchange. We would here answer a question often asked: "How can the canal create a better market than the railroads?" Simply because the canal is a consumer of farm produce as well as carrier of it. The boatmen are liberal buyers of every product of the farm…[87]

The canal played a role in stimulating the diversification of agricultural production in the Potomac Valley aside from merely providing a transportation route for the marketing of farm produce. One such example occurred in 1848 and 1849 when the canal board reduced the charges on fertilizers, in cooperation with the Virginia Society for the Advancement of Agriculture, in order to help increase the productivity of the soil. This policy was of particular importance to Montgomery County, where the once fertile land had been worn out by successive tobacco crops. Thus, the county, earlier known for its large tobacco plantations began to face a serious decline in its agricultural production by the late 1830s and early 1840s and significant numbers of people emigrated to the West and the South during that period. In 1845, the Society of Friends, in conjunction with the efforts of the Virginia Society for the Advancement of Agriculture, introduced Chincha Island Peruvian Guano in the country. The new fertilizer soon came into widespread use, the worn out lands were restored, and new crops of revels and grasses were grown. After the Civil War, it was estimated that the county farmers spent $15 million per year on fertilizer as the county quickly became one of the richest agricultural centers in the State, producing from 18 to 50 bushels of wheat and 30 to 60 bushels of corn per acre and providing enough produce for the operation of 30 mills.[88]

C. SALE OF WATER POWER

In addition to the stimulus to agricultural production, the canal and railroad promoted milling and manufacturing in an attempt to develop other sources of trade. The canal board saw a twofold advantage in the sale of surplus water from the canal to mills and manufactories along its banks: The financial return from the sale of the water and the added business, which industrial establishments would bring. The continued financial straits of the company forced the canal directors to give increasing attention only to the first advantage. On May 26, 1835, the *National Intelligencer* urged the company officials to give the surplus water away in return for the benefits of increased trade from the factories:

> The Chesapeake & Ohio Canal Company can furnish as much water power in the District of Columbia, as will propel every machine now in operation in the state of Rhode Island, but which must lie dormant for years, if the price at which the water is now held shall not be materially reduced. Would not the canal company be infinitely more benefited by giving the water without charge to such establishments, at the termination of the canal, and derive their income from the increased business on it, than by holding it at an ordinary

[87] Baltimore *Sun*, Dec. 26, 1889, in Spates Papers.
[88] *Proceedings of the President and Board of Directors*, H, 214, 239; Thomas Hulings Stockton Boyd, *The History of Montgomery County, Maryland* (Baltimore,1879), 107–110; and Scharf, *A History of Western Maryland*, Vol. I, 672.

> price for revenue, prevent its occupation? Capital and manufacturing skill can only be brought here by liberal encouragement.[89]

The desperate finances of the company, however, prevented such ideas from receiving serious consideration. The early promoters of the canal also thought that small; manufacturing villages would spring up all along the line, at every lock at which waste and flume power would be available. This idea persisted among the company officials as late as 1874 despite the obvious failure of earlier expectations and reports from other canal authorities telling them to expect sales only near towns.[90]

In the beginning, the canal company did not possess the right to dispose of its surplus water by sale to manufactures as its charter granted the undertaking rights to only that water which was essential for purposes of navigation.[91] During the winter of 1828–29, the board petitioned for the necessary grant of authority from the parties to the charter, but only gradually did the directors overcome the opposition of the valley inhabitants, some of whom attempted to construe the old Potomac Company charter and its modification in the Chesapeake & Ohio charter as giving them the sole right to use the surplus water of the river in proceedings before the Supreme Court.[92] Virginia, whose citizens had the least to lose, gave the necessary authority in February 1829.[93] Under pressure from the local proprietors on the Maryland side of the river who viewed the company request as an infringement of their own rights, the state legislators in Annapolis continued to refuse to grant the petition. After a second unsuccessful attempt during the winter of 1829–30, the stockholders were informed that despite another rejection;

> It is not possible that the people of Maryland will long hazard a transfer to the shores of Virginia, of every manufacturing village, to which a judicious use of the surplus water of the Potomac might give rise; or that both states will permit a source of common improvement so fruitful of good, to remain unprofitable to either bank of the Potomac.[94]

Finally on March 22, 1833, the Maryland General Assembly assented in return for the consent of the Chesapeake & Ohio to the extension of the railroad between Point of Rocks and Harpers Ferry.[95]

After a lengthy delay, Congress gave its approval for the sale of water power in the District of Columbia in March 1837.[96]

The only restriction on the power received under their acts was the stipulation of the Maryland laws that no water could be sold within the state for the manufacture of grain—a prohibition, designed to exclude competition with the Baltimore millers, that would hinder full realization of the program to encourage industrial development until its repeal in the early 1870s.[97]

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[89] Washington *National Intelligencer*, May 26, 1835.
[90] *Proceedings of the Stockholders*, A, 151; Allen to Starbach, Jan. 1, 1835. Ltrs. Recd., C & O Co.; and *Forty-Sixth Annual Report* (1874), C & O Co., 19.
[91] Washington to Stewart, Jan. 20, 1836, Ltrs. Sent, C & O Co.
[92] *Proceedings of the Stockholders*, A, 31, 44–45.
[93] *Act of the Virginia Assembly*, Feb. 27, 1829, and *Proceedings of the Stockholders*, A, 213. Pennsylvania had given is approval for the sale of surplus water in its act of incorporation in Feb. 1828
[94] *Proceedings of the Stockholders*, A, 151.
[95] *Ibid*, A, 287, and *Laws made and Passed by the General Assembly of the State of Maryland* (Annapolis, 1832), Ch. 291
[96] *Congressional Globe*, Vol. IV, 110 and Vol. V. 114 & 217.
[97] *Forty-Sixth Annual Report* (1874), 19. In 1835 the Canal Co. sold rights to water power at Williamsport and Weverton, since both were within the state of Maryland, the Canal Co. did not have to await the consent of Congress.

During the struggle to acquire the legal authority to sell surplus canal water, the company also faced difficulty in establishing a clean title to the surplus water from Dam No. 1, the most valuable source of potential water power on the line. The claims of John K. Smith under the Potomac Company, which had first been raised in 1816, had been inherited by Colonel Amos Binney, a Boston capitalist. After the Colonel's death, his son Amos, a zoologist and paleontologist who took over the family's real estate and business ventures, took his claim into court after failing to come to an understanding with the canal directors over his claim to 300 acres of land at Little Falls encompassing all of the water power at that location. After a series of cases and appeals, the canal company won most of its points and compromised the few remaining ones in an out-of –court settlement in March 1836. Thus it was ready to take full advantage of its rights when Congress consented to the sale of surplus water the following year.[98]

In preparation for exercising its new authority, the company appointed a committee on Water Power, consisting of President George C. Washington and Directors Phineas Janney, Walter Smith and Thomas Carberry.[99]

The committee studied carefully the procedures on other canal and water-works where water was sold to manufactories, particularly the development at Paterson, New Jersey, Lowell and Fall River, Massachusetts and Richmond, Virginia.[100]

The committee modeled its own rules after the review of those works and provided a gradual scale of increasing rents and for the location and control of water gauges. The grants were to be made for 20 years at an annual rate of $2 per inch for the succeeding ten years. The leases could be renewed indefinitely for 30-year periods provided application was made within 20 days of expiration and a bonus of $2.50 per inch was paid for the first renewal and $3 per inch for each subsequent renewal. After the renewal of the lease, the annual rental rate would be $3.[101]

On May 10, 1837, the canal board voted to advertise that water power and sites for manufacturing concerns were for sale in the District of Columbia.[102] The national economic downturn in the aftermath of the Panic of 1837 retarded the development of manufactories along the line of the canal for several years, but by 1839–40 several leases for water power in Georgetown had been negotiated. During March 1839 the company finally adopted a standard form of agreement, which was thereafter followed in executing water leases.[103] According to available evidence, the first permanent lease of water from the canal for manufacturing purposes in Georgetown was made to George Bomford retroactive to January 1, 1839. The company granted him 400 square inches of water annually for use at his brick flour mill.[104]

While water power rights were granted over the next fifty years at various places along the canal, including Weverton, Williamsport and Hancock, the most important development was at Georgetown. Here the greatest opportunity was available for the establishment of industries because of (1) the nearness to markets, labor supply and capital, (2) the location of Dam No. 1 at

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[98] *Proceedings of the Stockholders*, A, 423–431; *Dictionary of American Biography*, Vol. I, 279–280; *Amos Binney vs. Chesapeake & Ohio Canal Company* in Chancery Court, Sep. 1829, Ltrs. Recd., C & O Co.; Chesapeake & Ohio Canal Company vs. Binney & Cranch, C. C. 68; and Binney vs. Chesapeake & Ohio Canal Company, 8 peter, 201.
[99] *Proceedings of the President and Board of Directors*, B, 216–217.
[100] *Form for Water Power Leases*, Aug. 1832, and Allen to Starbuck, Jan. 1, 1835, Ltrs. Recd., C & O Co., *Proceedings of the President and Board of Directors*, C, 35; E, 255.
[101] *Conditions for Letting Water Power in the District of Columbia*, Mar. 23, 1837, Ltrs. Recd., C & O Co. and *Proceedings of the President and Board of Directors*, I, 159.
[102] *Proceedings of the Stockholders*, B, 113, and *Proceedings of the President and Board of Directors*, E, 255. Pending the granting of full authority to the canal company to sell surplus water, the company had made several temporary agreements prior to 1837 for the sale of waste water in the Georgetown vicinity. Bomford's flour mill had begun to use water from the canal as early as 1835. At about the same time two agreements were made with Leckie and Nourse. In 1836 Mason's foundry commenced the use of canal water. *Ibid*, E. 253–255; F. 116.
[103] *Proceedings of the President and Board of Directors*, F, 31, 34.
[104] *Ibid*, F, 63–64.

Little Falls, (3) the large dimensions of the feeder and the Georgetown Level, (4) absence of restrictions on the use of the water, and (5) the fact that the town was a long-established port city and trade center and the site of various warehousing, merchandising and manufacturing concerns.[105]

Millers, founders and textile manufactures soon became the chief users of water power in Georgetown.[106]

D. COAL TRADE

The Cumberland coal fields, lying west of the city of Cumberland in a basin (known as Frostburg or George's Creek Barge) some five miles and twenty-five miles long between the Great Savage Mountain on the northwest and Dan's Mountain on the southeast, provided the greatest opportunity for the canal and railroad to promote economic diversification of the valley. Both lines were actually aware of the commercial promise of the mining areas and for more than half a century vigorously exploited the trade. In 1842, the year in which the Baltimore & Ohio reached Cumberland, only 1,708 tons of coal was transported over its line. The quantity of Cumberland coal carried by the railroad had grown to 192,806 tons by 1850, the year the canal reached that town. In that year, during which the canal managed to ship 4,042 tons of coal, the Cumberland coal mining operations were conducted by the following companies: Maryland Mining, Washington Coal, New York Mining, Allegany Mining, Frostburg Coal, Mount Savage Iron, George's Creek Coal and Iron, Border Mining, Parker Mining, Cumberland Coal and Iron, Wither's Mining and Aston Mining.[107] By the late 1870s the Cumberland coal fields comprised 44,132 acres of land. The aggregate depth of the coal formation was 1,100 feet and there were three principal veins: the Big Vein, measuring fourteen feet; the Four-Foot Vein; and the Six-Foot Vein. Fifteen mining companies were conducting operations in the fields: Borden Mining, Consolidation Coal, Blaem Aveon Coal, Hampshire and Baltimore, George's Creek Coal and Iron, New Central Coal, Maryland Coal, American Coal, Atlantic and G. C. Coal, Piedmont Coal and Iron, Swanton Mining, Potomac Coal, Maryland Union Coal, Davis' Brothers Virginia Mines and Union Mining.[108]

All told, the total coal trade of the canal and railroad between 1842 and 1877 was nearly 32,000,000 tons. During that 36-year period, the canal carried 10,683,240 tons and the railroad 20,739,908 tons, the former reaching it peak in 1875 when it shipped 904,898 tons and the latter achieving its peak in 1873 when it transported 1,780,710 tons. In 1872 the Pennsylvania Railroad Company made an independent connection to the coal fields, and from that year until 1877 it shipped 667,729 tons. During 1873, the peak year of shipments from Cumberland mines, 2,674,101 tons of coal was transported by the three lines: the Baltimore & Ohio, 1,780,710 tons; the Chesapeake & Ohio, 778,802 tons; and the Pennsylvania Railroad, 114,589 tons. It is fair to conclude that from the 1850s to the 1880s the prosperity of the Baltimore & Ohio and the Chesapeake & Ohio depended to a large extent upon the coal trade from this region since it accounted

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[105] Rogers W. Young, *The Chesapeake & Ohio Canal and the Antebellum Commerce of Old Georgetown*, National Park Service, Manuscript, 1940, 1–6.

[106] *Ibid*, 58–93, 149–176. In Appendix I of his study, Rogers listed the details of the "Water Leases for Mills on the Chesapeake & Ohio Canal in the Limits of Georgetown, D.C., 1839–1900" and the "Water Power Leases for Mills on the Canal between Georgetown and the Little Falls of the Potomac, 1840–1900." Copies of Young's lists may be seen in Appendix A and B of this chapter.

[107] *Report to the Stockholders on the completion of the Chesapeake & Ohio Canal Company to Cumberland* (Frederick, 1851), 126–127.

[108] Scharf, *A History of Western Maryland*, Vol. II, 1434–1441, and C. J. Orrick, *The Mineral Resources and Manufacturing Facilities of the City of Cumberland, MD* (Cumberland, 1975), 8–11.

for between45 and 55 percent of the annual total tonnage transportation of the railroad and between 85 and 95 percent of the total tonnage of the waterway.[109]

At the same time, the coal trade had a significant economic impact on the general prosperity of the valley. Such a point was made by Victor Cushwa on December 30, 1887, when he described the beneficial results of the coal trade on the standard-of-living in Washington County:

> The direct revenue of canals or other public or private works . . .may not be enormous or even medium, but the indirect revenue is sometimes almost beyond computation when the great reduction in coal [price] alone is considered, thereby cheapening merchandise of all kinds in our county, the benefits of which independent transportation is the chief factor, the indirect benefits are almost incalculable. People are too apt to look only at the direct interest of public as also private enterprise. Too eager to keep in constant sight the almighty dollar and its direct profit, losing sight of the indirect and general good.[110]

E. GROWTH OF RELATED INDUSTRIES

The operation of the two transportation lines, especially of the canal, provided many related activities, which supported countless families in the Potomac Valley. Shipbuilding and repair became quite a profitable occupation. At the peak of the canal trade in the early 1870s, there were eight principal firms involved in the construction and maintenance of boats:

Doener and Bender (Cumberland)
Weld and Sheridan (Cumberland)
William Young (Cumberland)
Frederick Mentens (Cumberland)
Benjamin Mitchell (Hancock)
Consolidation Coal Co. (Cumberland)
R. and M. Coulehan (Cumberland)
Isaac Gruber (Cumberland)[111]

In addition, there were at least seven dry docks built along the waterway for repair of boats:

Lock No. 10—Ca. 1875
Lock No. 14—Ca. 1864
Edwards Ferry Basin—Ca. 1872
Lock No. 30—Ca. 1855
Lock No. 35—Ca. 1900
Lock No. 44—Ca. 1862
Lock No. 45—Ca. 1854[112]

Shipping lines also became an important source of profit as a result of the canal trade. By the late 1850s packets of the New York and Washington Steam Ship line were putting in weekly calls at the Georgetown wharves.[113] More important was the development of coastwise and foreign trade, chiefly in coal [that] had been found to be particularly suited for New England textile mills,

[109] *Fiftieth Annual Report* (1878), C & O Co., 26–27 and *Fiftieth Annual Report* (1876), B & O Co., 36–37.
[110] Hagerstown *Mail*, Dec. 30, 1887, in Spates Papers.
[111] See Chapter XI of this study for more information on this subject.
[112] See Chapter XI of this study for more information on this subject.
[113] Mary Mitchell, *Divided Town* (Banre, 1968), 3.

steamship bunkering and iron smeltering. Hence, much of the capital invested in the Maryland coal region before the Civil War was supplied by eastern or English businessmen, such as Evastus Corning, William H, Aspinwall, August Belmont, Edward Cunard and the Borden family of Fall River, Massachusetts, with special manufacturing or transportation interests, particularly in the Northeastern United States.[114] During the late 1850s several shipping lines were formed to transport the coal from the canal wharves at Georgetown and Alexandria down the Potomac River, through the Chesapeake Bay, and up the Atlantic Coast to New York, Boston and other New England seaports. After a slow-down in the amount of coal shipped on these lines during the Civil War, the coastwise trade from the District Cities reemerged with new vigor in 1867 and remained heavy for nearly a decade. In the late 1870s a decline in the production of Cumberland coal and stiff competition from the Baltimore & Ohio drew off much of the coastwise coal trade from the District Cities.[115]

To a lesser extent, Cumberland coal descending the canal to Georgetown and Alexandria was shipped to foreign markets. From the late 1850s to the mid-1870s shipping lines transported coal to the British West Indies and ports on the northern coast of South America where there were English naval and commercial interests.[116]

In the 1840s and 1850s flour became a principal element of the coastline and foreign trade originating at Georgetown. That product, some of which passed down the canal from the upper Potomac Valley and much of which was produced in the Georgetown flour mills using canal water power, was shipped via coasting vessels to the populous cities of New York and Boston and to a lesser extent via steamship line to foreign ports. The coastwise and foreign shipment of flour from Georgetown was short-lived, however, as the Baltimore & Ohio Railroad acquired between one-half and two-thirds of the descending canal trade during the Civil War. Thereafter, the port of Baltimore became the central focus of the coastwise and foreign shipment of flour from the Potomac Valley and the flour produced at Georgetown was used primarily to meet the local needs of the District Cities.[117] Many individuals made a comfortable living from the operation of grocery and feed stores along the waterway, supplying the boatmen with their necessary provisions for themselves, their families and their mules. Available evidence indicates that a conspicuous exception to this trend was the flour milling operations of Abraham Herr after 1862. When his large industrial holdings on Virginias Island at Harpers Ferry were destroyed during the fighting in 1861 and 1862, Herr moved to Georgetown and purchased the Columbia Flouring mill on the south line of the canal. He left the mill in the day-to-day superintendence of his head miller, Welch, and moved to Baltimore, where he initiated his own enterprise as a commission merchant miller on Smith's Wharf. From there he exported flour milled in Georgetown to markets in the West Indies and Brazil. At that time the Latin American markets wanted a high grade flour made from wheat with a relatively low moisture and high gluten content, such as would stand passage by sea through the tropics. The wheat from the upper Potomac Valley which descended the canal met such a description, and Herr, who was equipped to produce high grade flour and had an office in a port-city where flour constituted 70 percent of the exports to Brazil and over 50 percent of the shipments to other South American countries, continued to prosper. After the peace at Appomattox, Welch bought the Columbia Mill from Herr, who in turn bought the old cotton factory built along the canal in 1844. He converted this mill, which had been closed since 1861, into an-

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[114] Katherine A. Harvey, *The Civil War and the Maryland Coal Trade*, "Maryland Historical Magazine", Vol. LXIII (Dec., 1967), 361–362.
[115] Young, *Antebellum Commerce of Old Georgetown*, 167–168, 176.
[116] Washington, *National Intelligencer*, Apr. 21, 1862, and *Forty-Fifth Annual Report* (1873) C & O Co., 16.
[117] Young, *Antebellum Commerce of Old Georgetown*, 176; Embrey and Son to Dellinger, April 26, 1862, Ltrs. Recd., C & O Co.; Reizenstein, *An Economic History of the Baltimore & Ohio*, 82–83 and Sanderlin, *The Great National Project*, 217–218.

other large and prosperous flour mill, which ultimately became the Wilkins-Rogers Milling Company, manufacturing *Washington Flour*.[118]

At least 27 grocery and feed stores were built along the canal at the following locations:

Lock No. 6	ca. 1873		Lock No. 28	ca. 1864
Lock No. 10	ca. 1873		Lock No. 29	ca. 1864
Lock No. 13	ca. 1871		Lock No. 30	ca. 1863
Seven Locks	ca. 1873		Lock No. 33	ca. 1859
Lock No. 20	ca. 1851, 1869		Lock No. 37	ca. 1876
Lock No. 22	ca. 1870		Lock No. 39	ca. 1866
Guard Lock No. 2	ca. 1870		Lock No. 41	ca. 1877
Lock No. 23	ca. 1883		Lock No. 46	ca. 1865
Lock No. 24	ca. 1873		Williamsport	ca. 1866
Edwards Ferry	ca. 1864–65		Lock No. 50	ca. 1865
Lock No. 25	ca. 1872		Lock No. 51	ca. 1866
Conrad's Ferry	ca. 1863		Lock No. 52	ca. 1865
Lock No. 27	ca. 1866		Dam No. 6	ca. 1865
			Oldtown	ca. 1859

In addition, a number of concerns in the vicinity of the eastern and western terminuses of the canal in Georgetown and Cumberland, respectively, catered to the grocery and mule-provender needs of the boat.[119]

Because the Baltimore & Ohio Railroad concentrated on the through east-west trade, it provided fewer opportunities for profitable sideline businesses in the Potomac Valley than did the canal. However, warehouses and wharf owners fared equally well from the trade and transfer business of both railway and waterway.[120] In fact the transfer business was perhaps the principal related benefit from the existence of the transportation lines. For instance, the canal directors reported that:

> in 1874 the boatmen received for their services $1,070,000, the wharf owners $344,000, while the canal company received from tolls on coal and boats but $428,000 for maintaining and operating a work which cost over $11,000,000, being but $84,000 more than was received by the wharf owners on their investment of about $300,000.[121]

The handsome return on the relatively small capital outlay of the Georgetown and Cumberland wharf owners disturbed the canal board. At the same time that the private owners were making large profits, their rates were so high (8 cents per ton of coal at Cumberland and 25 cents per ton at Georgetown) that they forced the canal directors to reduce their charges on the coal trade in order to compete with the railroads for business.[122]

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[118] Mitchell, *Divided Town*, 158 –161.
[119] See Chapter XVI of this study for more information on this.
[120] See Appendix C for a "List of Warehouses along the Chesapeake & Ohio Canal: 1850–1890."
[121] Anonymous newspaper article in Gorman Collection. See 126 A.
[122] Cumberland *Times*, May 31, 1873, and Washington *Daily News*, March 2, 1875, in Gorman Collection. In Appendix II of this report is a list of the Georgetown coal yards and wharves using water power from the canal to unload and ship coal as well as those not using water power to ship coal during the period 1856 to 1880. This data may be seen in Appendices D and E of this chapter.

Accordingly the board dredged the Rock Creek Basin and repaired the outlet lock in order to make the river bank available for wharf facilities, and these actions soon forced the average cost of wharfage to be reduced by 10 cents per ton at Georgetown.[123]

On the other hand, at Cumberland the canal company leased two-thirds of the Potomac Wharf from Consolidated Coal Company in March 1875 and cut rates until the private wharf owners were forced to cut theirs.[124]

Later in July 1878, the company followed the example of the Baltimore & Ohio Railroad, which had earlier secured its own wharf facilities at the town, by purchasing the Basin Wharf property from Welsh and McKaig for $86,000. Since it was the largest wharf on the canal basin, the canal company secured permanent control over wharfage at that end of the canal.[125]

F. COMPETITION BETWEEN THE CANAL AND RAILROAD

Perhaps the most direct advantage to the citizens of the Potomac Valley from the operation of the two transportation lines was the limited commercial competition which developed. There were at least four focal points of the rivalry which were of sufficient importance to merit attention.

In the earliest days, the struggle for the lions' share of the valley trade occurred at Point of Rocks, this was the location where the railroad first entered the immediate confines of the valley and hence where the two lines first met on confrontation. The railroad completed its line to Point of Rocks in April 1832, three months after the settlement of controversy over the legal right-of-way of the two works. On the other hand, the canal was not opened above Dam No. 2 until November 1833 because of its need to reach the Harpers Ferry feeder to provide water for the 40 mile section between Seneca and the Ferry. Within months of the arrival of the railroad at Point of Rocks, several warehouses and other facilities were built at the town for the transfer to the rail line of agricultural produce, lime, timber and stone brought down the river from the upper valley and across the stream from Loudoun County, Virginia. When the canal reached the town, it attempted to acquire its share of this trade for shipment to the District Cities. Even after the canal and railroad extended their lines westward, the town remained an important transfer point and a place where the two lines competed for business.[126]

The rivalry over the Shenandoah wheat and flour trade at Harpers Ferry during the early 1840s was a renewal of the difficulties which had occurred during the preceding decade when the railroad attempted to block the canal's access to the Virginia side of the river at that strategic point.[127] Beginning in 1840, merchants engaged in the flour trade in Baltimore petitioned the railroad executives stating that the low rates charged for the shipment of flour on the canal (2 cents a barrel per mile for the first 15 miles, and 1½ cents a barrel per mile thereafter) were diverting that product from their city to the District of Columbia. Since the flour trade constituted a key portion of the Baltimore economy, the railroad quickly took steps to acquire a dominant share of the developing Shenandoah wheat and flour trade. Until May 1, 1841, the charges by rail from Harpers Ferry to Baltimore were 34 cents a ton plus 3 cents for handling (a ton amounted to 10½ to 11 barrels). On May 1, the railroad raised the rate to 50 cents, including handling, and sent a petition to the canal company to raise its toll to a "profitable rate." Soon the canal board raised its toll on

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[123] Sanderlin, *The Great National Project*, 245–246.
[124] *Proceedings of the President and Board of Directors*, M, 291; Cumberland *Times*, March 20, 1875, in Gorman Collection; and Tilghman to Gorman, May 17 and June 14, 1875, Hall to Gorman, Jan. 15, 1876, Graham to Gorman, Jan. 5, and Feb. 28, 1877, and Hicks to Gorman, Apr. 20, 1877, Ltrs. Recd., C & O Co.
[125] *Proceedings of the President and Board of Directors*, N, 56 –57.
[126] Reizenstein, *An Economic History of the Baltimore & Ohio*, 26–27, and *Niles' Register*, Vol. XLV (Nov. 23, 1833), 199.
[127] Sanderlin, *The Great National Project*, 193–195.

flour to a flat rate of 2 cents a barrel per mile. Within a month, on June 3, 1841, the railroad reduced its rates to 34 cents a ton, including handling. It was reported that the charges from Frederick to Baltimore were 30 cents, thus making the additional charge for the 21 miles from Frederick to Harpers Ferry a mere 4 cents. As a result, the flour trade on the canal from the Ferry fell off by over 4,400 barrels as compared with the previous year. A large amount of this decrease was attributed to the maneuvering of the railroad company.[128]

Again, in 1844, leading citizens in Alexandria complained of the loss of the flour trade to the Baltimore millers.[129]

In 1845 the Baltimore & Ohio intensified its efforts to win the flour trade from the canal. Its board of directors resolved "to reduce charges only along that portion of the road that was adjacent to the Chesapeake & Ohio Canal to a minimum which would at least pay the expenses of transportation." At the same time the railroad sought to place obstacles in the way of the transfer of canal trade across the river at Harpers Ferry. It continued to charge at the rate of 20 cents a ton per mile for goods shipped one-quarter mile over the viaduct, although it had agreed to a maximum rate of 8 cents. It refused to allow the use of its own cars, and those of the Winchester and Potomac Railroad were forced to pay a high fee to participate in the trade. Delay was a common occurrence in the landing of what little business that was transacted at the Ferry.[130]

Competition for the Shenandoah wheat and flour trade, as well as that of Washington County, led to a short rate war in 1876 from which the local farmers profited. In the wake of the Panic of 1873 which struck the Potomac and Shenandoah Valleys with full force in 1876, the railroad attempted to hold its share of the declining trade by reducing its charges on grain by 4 cents per bushel from that point to Baltimore. In an effort to compete with the railroad, the canal lowered the toll on grain and flour from 1 cent a ton per mile to ¾ cent a ton per mile from all points between Williamsport and Weverton to Georgetown.[131]

The struggle for the Cumberland coal trade, which began in the late 1840s, not only proved to be the decisive factor in the course of canal trade and prosperity but also served as a boon to the Allegany County coal companies. From December 1873 until March 1845, the railroad and the canal cooperated in the handling of the lucrative business. According to their agreement the railroad, which had reached Cumberland in November 1842, undertook to carry all the coal offered for shipment via the waterway over its own tracks to the western terminus of the canal navigation at Dam No. 6 at the special rate of 2 cents a ton per mile.[132]

When the state legislature passed the bill providing for the completion of the waterway to Cumberland in March 1845, the railroad and its ally, the City of Baltimore, began an all-out assault on the trade of its arch competitor. The Baltimore City Council approved an ordinance to allow the railroad to run its tracks into the city to a new depot on the south side of the harbor where vessels could dock free of port charges. The city authorities also encouraged the railroad to lower its charges on coal shipments. According to *Niles' Register* on April 12, 1845, such actions would encourage the coal and iron companies and the western county people to keep up the spirit of a competition, which however ruinous to canals and railroads, would enable them to get their material wealth and products to markets, for a mere song, the very thing for them.[133]

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[128] Elgin to Ingle, Dec. 23, 1841, Ltrs. Recd., C & O Co. and Reizenstein, *An Economic History of the Baltimore & Ohio*, 82–83.
[129] Maccubin to Turner, Nov. 6, 1844, Ltrs. Recd., C & O Co.
[130] Reizenstein, *An Economic History of the Baltimore & Ohio*, 83, and Elgin to Coale, Nov. 2, 1845, Ltrs. Recd., C & O Co.
[131] Cockrell and Engle to Gorman, Jan. 26 and Mar. 8, 1877, Ltrs. Recd., C & O Co., and *Proceedings of the President and Board of Directors*, M, 255, 258.
[132] *Niles' Register*, Vol. LXVI (June 22, 1844), 272; *Proceedings of the Stockholders*. C, 243–245; and McLane to Coale, Sep. 17, 1843, Ltrs. Recd., C & O Co.
[133] *Niles' Register*, Vol. LXVIII (Apr. 12, 1845), 85

One month later, the Baltimore & Ohio abruptly terminated its arrangement for the transportation of coal from Cumberland to Dam No. 6, doubling its rates to 4 cents a ton per mile.[134]

Competition for the declining Cumberland coal trade in the aftermath of the Panic of 1873 proved to be a boon to the Allegany coal companies as both of the transportation lines slashed their rates in an effort to retain their share of the commerce. Until 1876 the canal and the railroad had a general understanding to charge moderate rates on coal that were published and applied to all shippers. In that year, however, the railroad began to offer rebates of up to 20 cents per ton to some shippers. After the canal company announced its 1877 rates, which were 33 cents a ton per mile or 8 cents less than the 1876 price, the railroad lowered its charges 22 cents below the published rates for 1876 to $1.81 per ton from Cumberland to Baltimore. At the same time, it offered "Kickbacks" of up to 20 cents per ton to any coal company that would transfer its entire trade from the canal to the railway. As a result, the canal board lowered its toll on coal to 22 cents a ton per mile in August 1877.[135]

The rate war between the two lines subsided between 1878 and 1882, but the battle resumed during the last seven years of the independent existence of the waterway.[136] By 1885 the railroad was carrying coal to deep-water docks in the Port of Baltimore for $1.30 a ton, and there were reports that rebates to the coal companies often lowered the cost to $1.00 a ton.[137] Accordingly, the debt-ridden canal was forced to lower its tolls from 51 cents a ton per mile to 36 cents in June 1883, to 33 cents in April 1884 and to 22 cents in February 1885.[138]

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[134] McLane to Coale, May 7, 1845, Ltrs. Recd., C & O Co., and Coale to McLane, May 9, 1845, Ltrs. Sent, C & O Co.
[135] *Proceedings of the President and Board of Directors*, M, 293–296, and N, 4; New York *Herald*, Apr. 6, 1877; and New York *Times*, Apr. 20, 1877 in Gorman collection; and Lloyd to Gorman, Mar. 28, 1877, Loveridge to Gorman, Apr. 7, 1877, and Garrett to Gorman, May 19, 1877, Ltrs. Recd., C & O Co.
[136] *Fifty-First Annual Report* (1879), C & O Co., 6.
[137] Reizenstein, *An Economic History of the Baltimore & Ohio.*
[138] Sanderlin, *The Great National Project*, 314

V. IMPACT ON THE DEVELOPMENT OF TOWNS

One of the best ways to demonstrate the impact of the canal upon the Potomac Valley would be to examine its effect upon the towns in the area. As the waterway advanced up the valley, it promoted the development of many towns, which depended largely upon it for a livelihood. In some cases the influence was temporary, lasting only for a brief interval until the head of navigation moved westward. Several towns flourished to a greater or lesser extent as long as the canal was in regular operation. At least one town—Cumberland—took on a permanent position of socio-economic importance in the life of the valley.

A. GEORGETOWN

Founded near the head of tidewater on the Maryland shore of the Potomac River in 1751, Georgetown gradually became a colonial port of some importance. Shipping quickly became the chief industry of the town, as foreign and domestic vessels deposited manufactured good and wines as well as sugar, molasses and rum from the West Indies. In turn, the ships

Founded near the head of tidewater on the Maryland shore of the Potomac River in 1751, Georgetown gradually became a colonial port of some importance. Shipping quickly became the chief industry of the town, as foreign and domestic vessels deposited manufactured good and wines as well as sugar, molasses and rum from the West Indies. In turn, the ships sailed away with large quantities of Maryland and Virginia flour and tobacco, the latter being the chief commodity marketed at Georgetown until the early 1830s. From 1804 to 1835, a thriving coastwise grocery trade flourished in Georgetown. Nevertheless, commercial enterprise and foreign exports began declining in the 1820s as Washington, the seat of national government, expanded and drained off much of Georgetown's trade and capital investment, and Alexandria emerged as the deep-water seaport for the foreign commerce of the District Cities.[139]

The coming of the Chesapeake & Ohio Canal aided in stemming the gradual decline of the old port's commercial importance and its disappearing coastwise and foreign trade. From the mid-1830s until the outbreak of the Civil War, the developing waterway contributed to a momentary revival of both the coastwise and foreign trade of Georgetown. The renewed coastwise trade in wheat, flour and agricultural produce, which began in the mid-1830s served to replace Georgetown's early coastwise commerce in groceries and merchandise. The renewed foreign trade with the West Indies involving mainly farm and forest products, which replaced the earlier exports of tobacco and flour, was short-lived in the face of competition from Alexandria's rising deep-water commerce.[140] Within Georgetown, the great tobacco and grocery warehouses of the 1820s were replaced by new flour and cotton [mills] using water power from the canal, and coal wharves for the transshipment of the Cumberland coal. Primarily because of the waterway's commerce, by 1856 Georgetown had numerous brick storehouses lining M Street, five flour mills on the canal, a 2,560-spindle, 84-boom factory of the Pioneer Cotton Company, several lumber and coal yards at the east and west ends of the water front, and thirty-three brick warehouses fronting south on K Street.[141]

Indicative, however, of the small economic gains arising from this transition, is the fact that Georgetown's population grew by only 292 inhabitants from 8,441 in 1830 to 8,733 in 1860, while during the same period the population of Washington was more than tripling from 18,826 to 61,122.[142] The economic benefit brought to Georgetown by the canal during the antebellum

[139] Young, *Antebellum Commerce of Old Georgetown*, 1–6.
[140] Richard Plummer Jackson, *The Chronicles of Georgetown, D.C.* (Washington, 1878), 49.
[141] Mitchell, *Divided Town*, 2–3, and Constance Green, *Washington*, (2 Vols., Princeton, 1963), Vol. I, 157
[142] Green, *Washington*, 21.

period served to compensate the old port for the loss of its former trade and business, and for the increasing surrender of its foreign commerce to Alexandria. While the new enterprises in Georgetown did little more than replace the old, had it not been for this new business, largely produced by the canal, Georgetown's commercial life probably would have disappeared during the mid-1830s.[143]

During the post-Civil War years, the foreign export and coastwise trade of Georgetown began to revive as a result of the burgeoning canal commerce. This revival was shorn by a growth in population of the town to 11,384 in 1840—the last year in which population figures are available for the town as its separate government was abolished by Congress in 1871 and it became part of the District of Columbia. Although the foreign trade of Georgetown remained negligible for the remainder of the 19th Century, a heavy coastwise trade in coal shipments began in 1867 and continued until the late 1870s when the canal's coal business went into a tailspin as a result of national depression, railroad competition and declining production in the coal field.[144]

B. GREAT FALLS (CROMMELIN)

The canal company directors anticipated that a small community would develop at Great Falls on the strength of the canal trade, the attraction of the area for leisure activities by Washington and Georgetown residents, and the possibility of water-powered manufactories along the canal banks. Accordingly, the board approved the following resolution on June 10, 1831:

> Whereas, the Chesapeake & Ohio Canal Company are indebted to the confidence, liberty and enterprise of the Messrs Crommelin of Amsterdam, for the facilities afforded by their loan to the cities of the District of Columbia, for the payment of one million and a half of stock subscribed to the construction of the canal; be it therefore resolved, that in all orders and proceedings of the Board, the grounds belong to the Company and the Buildings erected thereon, at or near the Great Falls of the Potomac, be hereafter named "Crommelin".[145]

The projected development at Great Falls, however, never reached an advanced stage of development. Aside from the tavern facilities in Crommelin House, the expectations for Great Falls amounted to little more than the construction of several canal company maintenance shops, a mule stable and feed house, a grocery store, a horse stable and buggy shed, and a few residential dwellings. The known structures, along with their approximate dates and location were as follows:

> Lock "Shanty"—ca. 1899—located at northwest corner of Lock No. 20. Stable and Feed House—ca. 1900—located at northwestern edge of towpath, abutting the spillway at Lock No. 20 (ca. 1913—buildings removed to site on towpath 350 feet north of Lock No. 20). Carpenter Shop—ca. 1830—located about 1,000 feet north of the tavern on the berm bank of the canal (destroyed by fire and replaced by new shop between 1893 and 1896).
>
> Collier Dwelling—ca. 1859—located about 350 feet north of the tavern on the slope of the hill just beyond the northeast corner of the old gatehouse of the Washington Aqueduct (ca. 1875 moved to site about 250 feet north of the tavern and occupied by

[143] Young, *Antebellum Commerce of Old Georgetown*, 176.
[144] Young, *Antebellum Commerce of Old Georgetown*, 167–168, and Green, *Washington*, 21. See Appendix of this study for a "List of the Chief Retail Coal Dealers Near the Chesapeake & Ohio Canal in Georgetown: 1860–1880" and Appendix G for a "Diagram of Georgetown Showing C & O Canal and Riverfront Development: 1830–1900."
[145] *Proceedings of the President and Board of Directors*, B, 382–383.

Richard Collier, a canal employee, who resided in the house until about 1896 when it was razed by the canal company). Canal Company Residence—ca. 1850—located above the southern edge of Conduit Road and at a point about one-quarter mile northeast of tavern (destroyed by fire in 1889). Garrett Stone—ca, 1869—located on western edge of towpath near northern end of Lock No. 20 (ca. 1879 larger two story building containing a storeroom, office, saloon and living quarters erected on same site; structure razed by canal company ca. 1910).

Two Frame Dwellings and Log Cabin—ca. 1873—1884—located along the berm bank of the canal immediately to the south of the tavern (built by Howard A. Garnett for residential purposes). Buggy Shed and Stable—ca. 1890—located on the berm bank of the canal some 50 and 75 feet northeast of Lock No. 19 (razed ca. 1913).[146]

C. SENECA (RUSHVILLE)

Seneca, the first western terminus of the waterway, also held the spotlight briefly in the early 1830s. The canal directors anticipated that a small community would develop between Dam No. 2 and the mouth of Seneca Creek for the following reasons: (1) the growth of canal trade; (2) the expected emergence of the area to serve as an outlet for the large grain production of the surrounding region; (3) the large pool formed by the dam which would provide an opportunity for the canal to tap the trade of upper Fairfax County and lower Loudoun County in Virginia; (4) the timber resources of the surrounding region; (5) the further development of operations at the already famous red sandstone quarries; and (6) the possibility of water-powered manufactories along the banks of Seneca Creek and the canal. Accordingly, the directors on June 10, 1831, passed a resolution naming the site Rushville, in honor of Richard Rush, the former Secretary of the Treasury who had negotiated the loan from the Dutch capitalists, enabling the District Cities to pay their subscriptions to the canal stock.[147]

As the canal advanced westward, the spotlight moved with the construction and the hopes for the development at Seneca were never fully realized. The nearby red sandstone quarry, which had been in use prior to the American Revolution, continued to be operated until about 1900. Built during the late 1830s, the stone mill near the quarry was used to cut and dress the stone, the power for such work being supplied by water from the canal. At its peak in the post-Civil War era, the mill employed some 100 men, and the stone was shipped to Georgetown and Washington where it was used in the popular "brownstone" architecture of the period. Several warehouses were built along the canal in the 1870s to store wheat and flour produced in the surrounding region preparatory to shipment down the waterway to the District Cities. Throughout the history of the canal period, gristmills were in operation on Seneca Creek about ½ mile from the waterway—the last mill being operated by the Tschiffely family from 1900 to 1931.[148]

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[146] Rogers W. Young, *A Preliminary Historical Study on the Area Along the Maryland Shore of the Potomac at great Falls during the Heyday of the Chesapeake & Ohio Canal: 1858–1880*, (NPS Manuscript, 1939), 19–26, 35–40. A number of buildings were also constructed at Great Falls relating to the Washington Aqueduct project. Among these were the old gatehouse, several temporary construction sheds and shanties, a brick and stone residence, a garage, and several frame dwellings. *Ibid*, 30 –34.

[147] *Proceedings of the President and Board of Directors*, B, 382–383.

[148] Jane Chinn Sween, *A History of Dawsonville and Seneca, Montgomery County, Maryland* (Md. Hist. Soc. Mass., 1967), 69–70, and *Proceedings of the President and Board of Directors*, L, 454, 467, and M, 5.

D. POINT OF ROCKS

A flourishing commercial enterprise sprang up at Point of Rocks in the early 1830s under the joint impact of the Baltimore & Ohio Railroad and the Chesapeake & Ohio Canal. As the western terminus of the railroad during the legal controversy with the canal over the right-of-way between an important exchange point where freight was collected from the surrounding area on both sides of the Potomac for shipment to Baltimore. Later in November 1833 when the canal was opened to navigation from Seneca to Harpers Ferry, Point of Rocks became an important exchange point between the two transportation lines as well as a center from which the canal tapped the agricultural commerce of upper Loudoun County, Virginia.

A contemporary description of the community appeared in the Frederick *Times* in November 1833, shortly after the canal was opened to Harpers Ferry:

> The Point of Rocks is now the point of attraction, and really presents, as we are told, an animating scene. Railroad cars and canal boats, constantly arriving, interchanging passengers and cargoes and then departing—the bustle of a little village suddenly arisen, as it were, out of the earth and actually doing business of a commercial emporium—its inhabitants hardly yet acquainted with each other, and very often outnumbered by the transient strangers who throng thither in pursuit of business and pleasure—the very novelty itself, of two great public enterprises so long at war with each other, just going into harmonious operation upon the spot which may be called the battle ground; and that spot too so lately unknown save to the wild foxes of the mountains—in a word, the noblest exhibitions of art and nature contending for mastery, are the rich reward of those who may find it convenient to make an excursion upon the canal via the Point of Rocks.[149]

But the prosperity of the village was only temporary, and it declined rapidly as the canal was opened to Dam No. 4 by the spring of 1834 and the railroad was completed to Harpers Ferry by December 1834. Despite its declining prosperity, Point of Rocks was laid out in regular lots in 1835 by H. G. O'Neal for Charles Johnson. Depending largely on the canal and railroad for its livelihood, the town remained a small hamlet at the eastern foot of Catoctin Mountain, reaching a population figure of 290 in 1880.[150]

E. BRUNSWICK (BERLIN)

The town of Berlin was originally laid out in 1870 by Leonard Smith. In early times, the town had a flour mill and considerable trade with the surrounding countryside. When the canal and railroad reached Berlin, they brought a temporary increase in economic and commercial activity. The increased prosperity declined as both works pushed westward, although Berlin continued to profit as a result of its location on the canal and railroad. The town served as a profitable conduit for trade between the two transportation lines and Loudoun County as it was a widely-used Potomac River crossing point at first by the use of a ferry and after 1858 by a bridge. In December 1874 Berlin was described by the Cumberland *Times* as "a small village of Frederick County, containing sixty voters" whose principal business was "the mill of Messrs. Jordan, Graham and Wenner, which is run by the water from (the) canal." By 1880 the population of the town had increased to 217, and within another decade the population had grown to 300. When the Baltimore & Ohio

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[149] Frederick *Times*, quoted in *Niles' Register*, Vol. XLV (Nov. 23, 1833), 199

[150] Schoaf, *History of Western Maryland*, Vol. I, 369–370 and Thomas John Chew Williams, *History of Frederick County, Maryland* (2 Vol., Frederick, 1910), Vol. I, 321–322.

built its railroad yards at Berlin in 1890, the town and its population grew rapidly. Because of its rising importance as a railroad center, the name of the town was changed to Brunswick in order to avoid confusion with another town in Maryland by the same name.[151]

F. KNOXVILLE

Knoxville was another little valley community, which prospered for a brief period in the 1830s and 1840s as a result of the increased trade, brought by the canal and railroad. On September 12 and 19, 1849, the Frederick *Examiner* described the town as a flourishing community with bright prospects for economic development as a result of its close proximity to Weverton and the two transportation lines:

> there are a number of improvements now in progress at this place and in contemplation that must render it in a few years a place of very great importance . . . There is a large hotel erecting and several other buildings in contemplation. The Messrs. Barken and Co., from Baltimore, a wealthy company, have secured the most valuable mines of iron [that] are on the Shenandoah and Potomac Mines above this place, and have lately made a purchase of Col. Richard Johnson, adjoining Knoxville, of some twenty acres of land lying immediately between the Railway and Canal and was purchased at a reduced price, considering the very favorable location. The Company are now erecting a large furnace, storehouse and intend putting up between twenty and thirty other buildings for their workmen. This Company have several other furnaces in operation, but have selected this location believing it the most desirable as they can manufacture iron here at from five to seven dollars cheaper than at any other location in Maryland . . The advantages are so manifest that they must and will command the attention of Iron masters and manufactures. Messrs. Barker and Co. . . intend to extend their operations to a valley Mill foundry and Nail Factory.

These expectations were not fulfilled, however, and the town declined steadily after this time. In 1880 it had a population of 265.[152]

G. WEVERTON

Weverton was named after Casper W. Wever, a celebrated engineer connected with the Baltimore & Ohio Railroad, who had been associated formerly with the construction and laying out of the National Road, the first bridge at Harpers Ferry, and Pennsylvania Avenue in Washington, D. C. Attracted by the possibility of utilizing the water power of the Potomac River at this point and of taking advantage of the railroad and the canal to transport finished goods to Baltimore and the District Cities, he formed the Weverton Manufacturing Company and purchased 500 acres of land in 1834 on which he intended to build a manufacturing town similar to that at Lowell, Massachusetts. Along with the land, he purchased the rights to the water power of the river from his acreage to Harpers Ferry, some 3 miles distant. The fall of water in that stretch of the river was ap-

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[151] Williams, *History of Frederick County*, Vol. I, 39, 238–239; Cumberland *Times*, Dec. 1, 1874, in Gorman Collection; David H. Brown, *Bridges at Berlin* (c. Burs. Artz Library Mss., Frederick, 1953), 1, 3; John R. Miele, *A Physical History of the Chesapeake & Ohio Canal* (NPS Mss., 1968) 131–133; and Scharf, *History of Western Maryland*, Vol. I, 369–370.

[152] Frederick *Examiner*, Sept. 12 and 19, 1849, quoted in Williams, *History of Frederick County*, Vol. I, 274, and Scharf, *History of Western Maryland*, Vol. I, 369–370.

proximately fifteen feet—estimates to amount to 200,000 horsepower, which was sufficient to turn 3,000 spindles—and it was his intention to furnish the water power at an annual rental.

When his projected plans were delayed by the economic depression in the late 1830s, Wever attempted to broaden the financial base of the new community by forming a joint stock company in 1847. The leaders in this new venture were George Jacobs of Waynesboro, Pennsylvania, as president, Martin Kinsell of Chestnut Hill, Pennsylvania and Captain Hezekiah Boteler, Edward Garrott, Lewis Bell, John Gray and Barton Boteler as directors.

In May 1847 the first sale of lots was advertised. Twenty-six plots were sold at an average price of $75, amounting to $1,800 for less than an acre of land. A contract was made with Joseph P. Shannan to construct a dam across the river for $25,000, the work to be supervised by Charles B. Fisk, the chief engineer of the canal. Lots were offered at a nominal price for factory sites and free to any church, all with the proviso that no liquor should be sold.

In 1849 Joseph G. Chapman of Charles County, Maryland, succeeded Jacobs as president of the company and James M. Buchanan was elected counsel, Barton Boteler, Treasurer, William Loughridge general agent, and Casper W, Wever, secretary. Soon thereafter, three large manufactories were built at the town—a large cotton mill by the Potomac Company, a rifle factory by the Henderson Steel and Manufacturing Company, and a marble work by William Loughridge. A number of boarding houses for the workers also were constructed.

A series of articles in Frederick newspapers in July and September 1849 described in glowing terms the success of the venture at Weverton and its bright prospects for the future. The development was compared with the successful experimental "textile city" at
Lowell, Massachusetts, which had been in operation since the late 1820s, as well as other new industrial developments in the United States.

All the high expectations for a great manufacturing center perished soon thereafter with Wever's untimely death in late 1849. The recently built factories were closed down and the property of the joint stock company was advertised at public sale by Samuel B. Preston, a local constable, to satisfy the claims of Jarvis Spencer and Joseph I. Merrick. Later in 1852, the major freshet that struck the Potomac Valley did considerable damage to the Weverton works.

In the aftermath of the Civil War, at least one mill was opened for operation. During the spring of 1886 the canal company made provision to transfer power for a mill owned by Merrill and Grafton.

After the devastating flood in 1877 the canal company purchased the cotton mill and the file factory. The mill, which had never been put into operation, was torn down, and the file factory was sold to Chapman and Stewart. By 1880 much of the property in the little village of 100 persons was for sale at low prices. Jasper Kandell had become the owner of all the water rights, but apparently only one mill was in operation—a flour mill owned by David Rinehart.[153]

H. SANDY HOOK

Situated on the Maryland side of the Potomac River just below Harpers Ferry, the village of Sandy Hook flourished under the influence of the railroad and canal. Receiving its name from a quicksand pool in which a teamster lost his team on the road to Frederick, the settlement had two houses in 1830. As a result of the growing trade induced by the two transportation lines, the village continued to grow until it had 373 inhabitants in 1880. This growth was enhanced by the canal company's decision to construct the Shenandoah River Lock in 1832–33 to permit boats de-

[153] Scharf, *History of Western Maryland*, Vol. I, 369–370; Vol. II, 1284–1285; Williams, *History of Frederick County*, Vol. I, 271–174; Frederick *Citizen*, July 13, 1849, and Frederick *Examiner*, Sept. 12 & 19, 1849, quoted in *Ibid*; *Proceedings of the President and Board of Directors*, K, 490; and Rothbury to Coale, Oct. 17, 1850, and Masning to president and Directors, Apr. 12, 1866, Ltrs. Recd., C & O Co.

scending the Shenandoah River to cross the Potomac and enter the canal near the village. The company also built a number of shops there for the maintenance of the canal. According to the Baltimore *Gazette* on November 30, 1874, a large force of workers were employed at the company shops producing new lock gates and other articles for use on the waterway. Included in the canal company building complex were a carpenter shop, blacksmith shop, cart house, tool shed, storehouse and dwelling house as well as several warehouses for the storage of repair materials for the canal.[154]

I. HARPERS FERRY

Harpers Ferry succeeded Point of Rocks as a commercial emporium. Because of its location at the mouth of the Shenandoah River, it served as both the outlet for the trade of that valley and as the point of deposit for that of the upper Potomac. Its commercial position was not solely dependent on the railroad or the canal, nor was it of recent development. First settled in 1733 by Peter Stephens, Harpers Ferry already had a long history as a depot for North-South and East-West trade. Thus its increased prosperity under the influence of the coming of the canal in November 1833 and the arrival of the railroad in December 1834 was better grounded and more permanent than that of most of the valley settlements. During the years from 1830 to 1850, the population of Harpers Ferry increased from 1,379 to 1,747. On the eve of the Civil War, the industries on Virginius Island included two cotton factories, a sawmill, a flour mill, a carriage factory and an ironwork. The nine large brick buildings of Hall's Rifle Works supplemented the other thriving manufactories along the river. The most important industry, however, was the United States Armory and Arsenal, established by Congress in 1796.[155]

J. SHEPHERDSTOWN

Shepherdstown, which had been settled by Pennsylvania Germans as early as 1730, received economic stimulus from the canal as the site of lime mills supplying the major portion of the cement to the canal contractors during the early years of construction. After the canal was completed to Dam No. 4 in the spring of 1834, it carried a large amount of the town's trade.

As one of the oldest towns in the Potomac Valley, Shepherdstown took an active interest in the economic development of the region through the promotion of internal improvements. The town of 1,326 inhabitants gave its full support to the canal project and subscribed $20,000 of Canal Co. stock.

Sometime before construction was commenced on the canal, Henry Boteler and George Reynolds operated a flour mill, known as Potomac Mill, about 240 yards upstream from Pack Horse Ford, the historic Potomac River crossing just below Shepherdstown. The mill was powered by water impounded by a dam across the Potomac, commonly called Boteler's Dam. One of the most urgent problems that arose in connection with the construction of the canal was the procurement of an adequate supply of hydraulic lime. In January 1828 Robert Leckie, the inspector or masonry on the canal, undertook to locate a source of cement lime that would be both readily available and of adequate durability. Such a source was found on the Virginia side of the river in the vicinity of Potomac Mill, and after some negotiations, the canal company persuaded the two proprietors to convert a portion of their mill to the manufacture of cement. Kilns were erected nearby, and extensive experiments were conducted in order to develop a durable water lime. Al-

[154] Baltimore, *Gazette*, Nov. 30, 1874, in Spates Paper; Scharf, *History of Western Maryland,* Vol. II, 1284–1285; and Baltimore *Sun*, June 11, 1889.
[155] Bushong, *Historic Jefferson County*, 85, 126–127, 139, and Sanderlin, *The Great National Project*, 165.

though the mill was not extensively used by the canal company after 1837, it continued to play an important role in the economic activity of the region served by the canal until 1861 when it was destroyed by Federal troops. Rebuilt after the Civil War, the mill continued to operate until the turn of the 20th century.

Closely associated with the mill in its connection with the canal was the dam that provided the power for its operation. The impoundment formed a slackwater pool that occasioned the construction of a river lock in 1833–35 to provide access to the canal from the river. This made possible the tapping of an extensive Virginia trade, which was an important source of business for the canal. Barges were loaded on the Virginia (West Virginia) side, floated across the river, and entered the canal via the river lock. When the dam was destroyed in 1889, the slackwater was eliminated and the lock was filled in and incorporated into the towpath bank of the canal.[156]

K. WILLIAMSPORT

Above Harpers Ferry the most promising site for industrial and commercial development along the canal was Williamsport. At this town, which was founded by General Otho H. Williams in 1786 at the junction of the Conococheague Creek and the Potomac River, conditions were favorable to the establishment of mills and manufactories utilizing water power. Dam No. 5, located only eight miles above the town, fed a relatively short stretch of the canal, thus making available ample surplus water. Williamsport might also become the channel for the trade of Hagerstown with the Eastern Markets via the canal.

Because of its location, Williamsport was actively interested in the development of transportation in the Potomac Valley. During the first three decades of the 18th century, the trade of Williamsport was largely with the District Cities by means of river boats. In September 1827 a group of citizens meeting in Williamsport formed an association to support the construction of a canal in the expectation that such a transportation line would enhance the commercial prospects, of the town.[157]

When the canal reached Williamsport in April 1835, the town took on new life. *Niles' Register* observed:

> We learn from the Williamsport *Banner* that the water was let into the canal below that place on the 1st inst. and it was expected that, in a few days, the canal would be navigable the whole distance from Dam No. 5, above Williamsport, to Washington City. The *Banner* says: 'The basin at the foot of Potomac St. has been for upwards of a week past, crowded with boats, arks, etc. laden with coal and flour, and that the busy, bustling appearance which the arrival of the boats has given to that part of town, in the vicinity of the canal, is truly gratifying, and brings to mind the wharves of a commercial city.[158]

On April 11, the Williamsport *Banner* reported:

> Wednesday and Thursday last, the 8th and 9th instant, were busy days with us on the canal. The water was let into the level next below Williamsport, and the numerous vessels

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[156] John F. Luzader, *Historic Sites, Shepherdstown, West Virginia* (NPS Mss., 1963), 1- 4; Miele, *Physical History*, 139–143; Sanderlin, *The Great National Project*, 81; Boteler to Mercer, Jan. 14 and 22, 1828, in U. S. Congress, House, Committee on Roads and Canals, *Chesapeake & Ohio Canal*, H. Rpt. 141, 20th Congress, 1st Session, 1828, 38–39, McFarland to Ingle, May 29, 1829, and McFarland to Leckie, July 23, 1829, Ltrs. Recd., C & O Co.; and Ingle to Boteler to Reynolds, Apr. 22, 1830, Ltrs. Sent, C & O Co.

[157] Scharf, *History of Western Maryland*, Vol. II, 1223, 1230 and Sanderlin, *The Great National Project*, 166.

[158] *Niles' Register*, Vol. XLVIII (Apr. 11, 1835), 89.

> which had, within the previous few days, been literally wedged in our basins and canal, forming as complete a bridge of boats as ever crossed the Rhine, thronged and pressed to the lock, eager for passage below. As fast as balance beam and valve key could be plied, were they passed on amid the shouts of a number of our citizens, who had assembled to witness the novel sight. Of the number of vessels, which were admitted, we have not been duly informed; but our estimate, and we speak, we are sure, much within the number, is from fifty to sixty. . .
>
> It was a glorious sight to see the numerous boats as they lay in the basin at night, each illuminated by a glowing coal fire, which cast a long level rule of light across the water; and the silence of night was not unpleasantly interrupted by the cries of the hoarse boatmen, as they were disturbed from their moorings by new arrivals, and driven to close contact with their neighbors; we heard diverse remonstrances, boisterous and uncouth against "scrounging," to make use of the navigator's expressive, however inelegant term.[159]

The increase in commercial activity did not turn out to be of a temporary nature and Williamsport settled down to become perhaps the outstanding canal town along the route of the canal. On May 26, 1835, the *National Intelligencer* reported on the continuing developments at the town:

> From Williamsport . . . we learn that that town has quite a lively appearance, from the bustle of business, present and prospective. Among other circumstances, consequent on the extension of the Canal thus far, we learn that two considerable iron-master in the neighborhood of Chambersburg, in Pennsylvania, have agreed to send, each, five thousand tons of bar-iron and castings to Williamsport, this year, for transportation down the Canal, to be forwarded to New York, Massachusetts, etc. The advantage of this arrangement to them is, that the same wagons, which bring down the iron, can load back with coal from the Canal. For the purposes of this branch of business, a very large warehouse is now building on the margin of the basin of the Canal at Williamsport. We understand, further, that the officers of the company, on a late visit up the line of the Canal, made a disposition of water power to individuals at three different places in the vicinity of Williamsport.[160]

Furthermore, the economic development of Williamsport was enhanced by the Baltimore & Ohio Railroad's decision to build its line west of Harpers Ferry on the Virginia side of the river. Thus, the rich flour and grain trade of Hagerstown and the Cumberland Valley was diverted to Georgetown through Williamsport via the canal, whereas previously most of it had gone to Baltimore via the National Road.[161]

Through the years, Williamsport, which grew from population of 859 in 1830 to 1,503 in 1880, depended on the canal for a large portion of its economic activity. The Williamsport *Pilot* observed on August 24, 1872, that:

> There are 48 boats owned by citizens of this town, not counting the immediate vicinity. These 48 boats upon an average carry 5,000 tons of coal per trip. Allow each boat 20 trips per season and you have in round numbers 100,000 tons of coal carried to market by our boatmen. The toll upon this coal at 46 cents per ton would amount to $46,000. Add to

[159] Williamsport, *Banner*, Apr. 11, 1835, quoted in Niles' Register, Vol. XLVIII (Apr. 25, 1835), 135.
[160] Washington, *National Intelligencer*, May 26, 1835.
[161] Thomas John Chew Williams, *History of Washington County, Maryland*, (2 Vols. Hagerstown, 1906), Vol. I, 196.

> this the toll on each boat for each trip, $8.16, and you have $7,833.60 more, in all the sum of $53,833.60 earned by our boatmen during the course of a boating season for the company. Of course this is simply the coal trade, and does not include the local trade from this port, or have any reference to tolls collected here. The amount of flour, grain, etc., shipped from, and the amount of lumber, hoop poles, plasters, phosphate, etc. received here, is considerable.[162]

Later that same year on December 21 the *Pilot* again discussed the heavy reliance of Williamsport on the canal trade for its general prosperity. Reporting on the town's coal trade for the 1872 boating season, the newspaper noted that:

> The report is exclusive of a considerable amount of coal, the toll upon which was paid here, but which was not delivered exactly at the wharf at this place. . . The horse disease, low water, and the early close of navigation by the ice, rendered the season not only unprofitable to boatmen but made shipments much shorter than they would otherwise have been. The coal shipped by Mr. Cushwa was for the sole use and consumption of the Western Maryland Railroad Company (whose line was then being completed to Big Pool), and a great deal of it is on the wharf here yet awaiting wagon transportation to Hagerstown. That received by Messrs. Embrey and Steffey, respectively, was to supply not only the local demand, but manufactories of various kinds in Pennsylvania and those portions of Maryland lying along the line of the W. M. Railroad.

Victor Cushwa	4,234,.03	Tons cut
O. Embrey and Son	3,725.06	
E. P. Steffey	1,544.16	
Total	9,504.05	

> The value of this coal at $4.50 per ton, which is about the average, is $38,018.20[163]

The canal company's efforts in the early 1870s to promote the continued expansion of trade in both agricultural produce and coal by facilitating the construction of the Cumberland Valley Railroad and the Western Maryland Railroad, where those lines touched upon the canal's rights, were an added economic stimulus to Williamsport. Completed to the town on December 17, 1873, the Western Maryland ultimately provided a connection between the canal at Big Pool (above Williamsport) and Baltimore. The Cumberland Valley, which was opened to Martinsburg in 1874, ultimately provided a link between Harrisburg and Winchester, crossing the canal at Powell's Bend one mile below Williamsport. As a result of the new lines, it was estimated that the coal trade of Williamsport increased to the point that one-half of the town's population was involved in the shipment, unloading and transfer of coal. According to the Washington *Evening Star* on July 11, 1902, business on the canal at Williamsport was:

> flourishing, there being a continuous string of boats to and from Cumberland. About 50 boats are unloaded there every month, carrying over 5,000 tons of coal. Large consignments of coal are also being shipped to Powell's Bend, 1 mile below, where it is transferred to the Cumberland Valley RR. New machines for unloading boats in use on wharves at Williamsport greatly facilitate business, about 3 times as many being

[162] Williamsport, *Pilot*, Aug. 24, 1872, in Gorman Collection.
[163] Williamsport, *Pilot*, Dec. 21, 1872, in Gorman Collection.

> unloaded as before. Shippers are full up with orders for coal, which is shipped over the Western Maryland railroad.[164]

L. HANCOCK

Above Williamsport, the next major objective of the canal was Hancock, a small village of 367 inhabitants in 1830. Located on the National Road, the town was 100 miles from Baltimore and 39 miles from Cumberland. Because of its location, it acted as a center for the local trade of western Washington County, eastern Allegany County and the Cacapon Valley as well as a conduit for the East-West trade.[165]

The canal company looked to Hancock as a prospective point where contact could be made with the turnpike from the west. Here it was hoped that the canal might secure some of the wagon traffic from as far west as the Ohio River. As early as October 4, 1834, *Niles' Register* observed that when the canal would be opened to Dam No. 5 during the following spring:

> it will then be opened for navigation 110 miles; and, as the Dam No. 5 backs water of the Potomac up to Hancock, the navigation of the canal will be connected with the business on the national road, and Hancock becomes a temporary place of deposit between the east and west, whether from or to Washington, by the canal, or from or to Baltimore by the railroad, after its junction with the canal, either at Harpers Ferry or the Point of Rocks, as shall appear most expedient—and no doubt, canal boats will be fitted to receive the bodies of loaded wagons, as the railroad cars now receive them. There is much convenience, as well as safety, in this proceeding. The western merchant, at Baltimore or at Wheeling, personally inspects the stowage of his merchandise, if he pleases, and according to his own judgment of the manner in which it should be packed—with a confidence that it will not be changed until its arrival at the place of its destination . . .[166]

Canal officials began making plans to exploit the trade potential of Hancock in March 1835 when the canal was completed to Dam No. 5 as evidenced in a letter written by President George C. Washington:

> By the middle of March we shall have an unobstructed navigation of 110 miles, ready to receive the spring trade of the whole valley of the Potomac. Our upper dam (Dam No. 5), makes a backwater navigation of about ten miles, being within two miles of the Cumberland Road. At this point the water merchants of Wheeling etc. propose immediately to connect their lines of transportation and such by this means will be the saving, that they believe they can successfully compete with Pennsa (Pennsylvania) Canal. The lumber of the Cacapon region will also at this point, be brought into the canal, and we understand preparations are making at Cumberland to forward a quantity of coal.[167]

However, the anticipated business did not develop as expected, primarily because the canal did not reach Hancock until April 1839 at which time the national economy was still in the throes of depression. By that date the Baltimore & Ohio was speeding its construction westward, and the

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[164] Washington, *Evening Star*, July 11, 1902. Also see Baltimore *Evening Sun*, Aug. 12, 1937; Scharf, *History of Western Maryland*, Vol. II, 1005–1008 and 1230–1231; *Forty-Fifth Annual Report* (1873), C & O Co., 16–17; and Sanderlin, *The Great National Project*, 230–232.
[165] Scharf, *History of Western Maryland*, Vol. II, 1252, and Williams, *History of Washington County*, Vol. I, 196.
[166] *Niles' Register*, Vol. XLVII (Oct. 4, 1834), 65.
[167] Washington to Colston, Jan. 31, 1835, Ltrs. Sent, C & O Co.

Pennsylvania Main Line Canal had consolidated its hold on much of the anticipated trade of the southwestern portions of its state.[168]

Nevertheless, Hancock did benefit from the canal and served as a center of local trade. By 1880 the town had grown to a population of 931 and had a number of stores, several grain and flour warehouses, and several boat yards, all of which were directly affiliated with the canal trade. The major business enterprise was the Round Top Cement Company located west of town and owned by Robert Bridges and Charles W. Henderson. Originally established in 1837 by George Shafer to supply the canal company with water lime, the cement works were purchased by Bridges and Henderson in 1963 and employed 120 men by 1880. After the cement was placed in barrels, most of it was run across the Potomac by cable to a company warehouse before it was transferred to the Baltimore & Ohio Railroad via switches that connected with the main line. The canal, which provided the water power necessary to run the mill, was used also as a medium for shipping the cement and for receiving the coal required to operate the kilns.[169]

M. CUMBERLAND

The town of Cumberland at the mouth of Wills Creek is perhaps the greatest accomplishment of the Potomac trade route. Founded by the Ohio Company in 1749, it served as a natural canter for the business and commerce of the upper valley and for the trans-mountain trade. In the aftermath of the Seven Years' War, fur traders and a few settlers began to move into the Allegheny and Trans-Allegheny region. Because of its location on the Potomac Valley route to the west, Cumberland was involved in every major effort to develop and improve transportation in the upper valley during the next century. The improvements on the river undertaken by the Potomac Company after 1785 ended at Cumberland. Construction of the federally-sponsored National Road began at Cumberland in 1811 and the pike was completed to Wheeling on the Ohio River in 1818, thereby making the town an important point in the East-West trade.[170]

The completion of the railroad and the canal to Cumberland on November 1, 1842, and October 10, 1850, respectively, brought to the town a dependable means of transportation to the eastern markets and large transfer business in coal from mines in the Georges Creek region and farther west. During the decade from 1840 to 1850, the population of the town nearly tripled from 2,384 to 6,105. William H. Lowdermilk, a noted historian of Cumberland, has written concerning the significance of the railroad to that town:

> No other event has ever transpired in the history of the place, which created so much pleasurable excitement. Business was entirely suspended, and men, women and children gathered about the terminus of the road to witness the arrival of the trains. From the mountain tops, and valley, throughout the adjoining country, the people came in crowds, and the town was in a fever of excitement for many days.
>
> The opening of this road proved the inauguration of a new era in the history of the town. This was made the point of exchange for passengers and merchandise between the East and West. Hotels were erected for the accommodation of travelers, and large warehouses, along the railroad tracks, for the storing of goods, which were to be transshipped from cars to wagons for the West, and from wagons to cars for the East. The facilities thus furnished for rapid transportation induced many persons to make the journey across the mountains, and the stage companies were compelled to build new coaches and

[168] Miele, *Physical History*, 153 and *Niles' Register*, Vol. LVI (Apr. 17, 1839), 131–132.
[169] Scharf, *History of Western Maryland*, Vol. II, 1252 and 1256.
[170] Miele, *Physical History*, 160 –161; Sanderlin, *The Great National Project*, 166–167; and Kenneth P. Bailey, *Thomas Cresap:Maryland Frontiersman* (Boston, 1944), 94.

> to erect large stables. Every morning and evening upon the arrival of the cars, long lines of stages drew up in front of the hotels. Inside they carried nine passengers, and outside one on the seat with the driver. In the "boot" and on the roof was placed the baggage. When all were loaded, at a given signal, a dozen whips would crack, a dozen four-horse teams would take the road, and dash through the streets at a brisk trot, which would be kept up until Frostburg was reached, in less than two hours. Here horses were exchanged, and up the mountain grade they went, on their way to Wheeling.
>
> In a little while after the completion of the railroad to Cumberland, the National Road became a thoroughfare such as the country has never before or since seen, for a like distance. On every mile of the road were to be seen stages, carriages and heavy freight wagons, carrying tons of merchandise piled up under their canvas-covered bows, drawn by six powerful horses. In addition to these, great droves of cattle, hogs, sheep, etc. were daily on the road. Taverns were to be found every few miles with jolly landlords, who knew all the teamsters, drivers and guards. These were "good old times" and the "pike boys" still living look back to them with many a sigh of regret.[171]

When the canal was formally opened to through navigation all the way to Cumberland on October 10, 1850, it was the occasion for elaborate ceremonies and jubilant celebration. Among the speeches was one given by William Price, a long-time canal promoter from the town:

> It was natural, perhaps, that things should be precisely as they have been, both with the enterprise itself, and with the individuals whose fortunes have been connected with it. The uncommon magnitude, and the uncommon finish of the work, may be regarded as cause sufficient for all the alternations and disappointments attending its history. The reasoning of men, from their experience upon works of different dimensions and character, might have been expected to lead to disappointment when applied to a work like this.
>
> Go view those magnificent aqueducts, locks and culverts, of hewn stone—those huge embankments, on which you may journey for days down the river; go view the great tunnel passing three fifths of a mile through rock, and arched with brick, its eastern portal opening upon a through-cut almost equal in magnitude to the tunnel itself. Look at the vessels lying in that basin ready to commence the work of transportation, and large enough to navigate the Atlantic, -- look at all these things, then think how soon the fortunes of individuals embarked in the prosecution of such an enterprise would be swallowed up, leaving upon it but little more impression than the bubbles which now float upon its waters. It will not be deemed out of place, if I here express the hope, that, those whose losses have been gains of the company, should not in the hour of its prosperity be forgotten.
>
> It has been greatly decried and greatly misunderstood, but it is a magnificent work, whatever may be said to the contrary. Of its probable revenues now that it is completed, I se no reason to distrust the opinions heretofore entertained by it s friends. And why should it not be as profitable as, from the first, it was expected to be? The same great coal deposits which originally induced its projection, and which have animated the hopes of its friends, during all the trials and vicissitudes of its history still lie in these mountains waiting an avenue to market. Its quality has in no wise deteriorated and is known to be such as to give it a preference over every other description of coal on this side of the Atlantic. The capacity of the coal companies have their railroads and other means of shipment upon the canal, completed. With such a staple and such an avenue to market, that is

[171] Lowdermilk, *A History of Cumberland*, 349, 351–351, 371.

> to limit the emoluments of the work? Coal, however is but one item of its trade. And when we look to the agricultural products of western Maryland, and of the contiguous portions of Virginia and Pennsylvania, and after all this, add to the account, the ascending trade, consisting of the merchandise for the supply of the territory already indicated, and a share of that destined for the west, it is no exaggeration to say, that the work will in due time pay off its own debt and leave the state in possession of a permanent fund, adequate to all her financial wants.
>
> The opening of yonder gates to let through the first boat carrying freight from Cumberland to tide water, signals a happy epoch in the financial condition of the state. It is the turning point in history of the canal, and marks the precious moment of time, when this great work ceases forever to be a burden upon the tax-payers of Maryland, and begins to reimburse those who have so long and so patiently borne the charge of its construction. Such an event is cause of congratulations to the people of the whole state.[172]

With the arrival of the canal, Cumberland again experienced greater prosperity based on the increased trade and transfer business developed by the waterway and from the related activities associated with its operation. The boom proved to be short-lived in its extreme form, however, for on January 10, 1853, the Baltimore & Ohio Railroad was opened for travel between Cumberland and Wheeling, and two great excursion trains passed over the road, from Baltimore to the Western terminus. The effect was soon felt in Cumberland, as most of the stage lines were taken off, and the great business of transferring merchandise at this point was largely diminished.[173]

Thereafter the city settled down to a robust prosperity based primarily on the coal trade of the railroad and the canal and on its location at the western terminus of the waterway. Estimates of property values available for Cumberland in 1842 and 1860 show an increase from $931,118 to $2,124,000 and population statistics indicate that the city grew from 6,105 in 1850 to 7,302 in 1860, 1870, and 10,693 in 1880.[174]

Cumberland secured a large amount of trade from the canal-related economic activities and from the boatmen between runs and during the winter. The economic impact of the canal on the livelihood of the town is revealed in a series of local newspaper articles in the 1870s during which time the waterway was facing increasing competition for its share of the coal trade from the railroad. On May 24, 1873, the Cumberland *Times* reported:

> The shipments of coal by canal for the current season show a remarkable falling off from those of last year. By Mr. Slack's tables we find that the shipments to May 10th inst. over his road to the canal amount to 112,099.03 tons, against 136,887.08 tons to a corresponding period last year, showing a decrease for the present season of 24,758.05 tons; while the shipments by the same route to the Baltimore & Ohio Railroad amount to 474,290.02 tons against 414,705.01 tons to a corresponding period last year, showing an increase of 59,585.01 tons in favor of the railroad to a corresponding period last year. This estimate does not include companies that habitually ship by railroad alone, but puts the matter in the best light for the Canal Board.
>
> For our city and for the large number of people who depend upon a successful canal season for a living, this is a poor showing, and the prospects for the future is far from reassuring. .

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[172] *Report to the Stockholders on the Completion of the Canal to Cumberland*, 130–132.
[173] Lowdermilk, *A History of Cumberland*, 376.
[174] *Ibid*, 381, 388, 492, and James Walter Thomas and Thomas John Crew Williams, *History of Allegany County, Maryland* (@ Vols., Cumberland, 1923), Vol. I, 124.

> Canal shipments are what our people here are interested in. It matters but little to them how many hoppers go daily rolling by upon the railroad; they derive no benefit therefrom, but with canal shipments the case is different. Every additional ton of coal shipped by this route, adds its proportion to the prosperity of the city. Many boatmen live here; boats are built in our yards; feed and forage for stock are sold by our dealers, and our grocers derive a busy trade in canal supplies when the season is good. . .[175]

A similar theme was noted by the Cumberland *Alleganian and Times* in three separate articles in April and May 1877. On April 30 the newspaper observed that:

> The canal is the only present surety for Allegany's prosperity, and when its stability is endangered every citizen of the county has a bounden duty in its protection. Cumberland is probably more deeply interested in its success than any other section of the county, because she has more property dependent on it outside of the coal companies; but all of Allegany is deeply concerned. . .There are Eastern interests which demand Cumberland coal for its qualities; and their demands are sufficient to keep the railroad busy. There are other interests, which prefer our coal, while it can compete with other regions; but when the price is higher, they will take the other. This latter class is what we would lose if the canal should be closed, while the Baltimore company would charge its own price on the former. The canal is now in efficient working order throughout, and the tolls are lower than the Baltimore road. The canal terminates here, and its trade is local. Destroy its local traffic and it perishes. The Baltimore road is almost national, and our trade is not essential to its success. It can hedge us about. It can forgo profits on coal until it crushes us. . .[176]

On May 5, 1877, the newspaper printed a detailed analysis of the economic impact of the canal on the city:

> The principal income of this region is from the coal trade. When shipments are large, our businessmen feel the good results; when they are small, our trade interest lag. The coal shipped through Cumberland is beneficial to this region only to the extent of the cost of production, which benefits Cumberland only secondarily. It is the amount shipped by canal that results immediately to our benefit. . .Hypothetically, we will assume there are 30 boats leaving this port daily, carrying 115 tons each, at 80 cents per ton, making 180 boats per week, which would be a gross receipt of $20,700 per week, employing 600 men and an equal number of mules. At lest two-thirds of this money is disbursed in Cumberland, giving over $16,000 per week, or $70,000 per month. Aside from this, there are over 200 men employed here on the canal in various kinds of work—loading coal, repairing boats, cleaning basin, etc., which increases the receipts by not less than $10,000 per month. Thus . . .it is reasonable to conclude that the people of Cumberland receive from this source not less than $80,000 per month. Can we afford to lose this trade?[177]

On May 15, 1877, the same newspaper observed:

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[175] Cumberland, *Times*, May 24, 1873, in Gorman Collection.
[176] Cumberland, *Alleganian and Times*, Apr. 30, 1877, in Gorman Collection.
[177] Cumberland, *Alleganian and Times*, May 5, 1877, in Gorman Collection.

> We have hundreds in Cumberland dependent on coal shipments by canal where Baltimore has 10 by rail. Five hundred canal captains have their all invested in their boats, and 2,000 men are subject to the captains. Our boat builders have tens of thousands dependent upon the employment of these men. Our businessmen derive one half their profits from the proceedings of the canal, and our landlords would get nothing for their houses if we lose our canal trade. The miner would decrease in his product were the canal out of the way; for the Baltimore road would have the monopoly of the trade, and would desire no more coal produced than its capacity would admit of carrying. . .
>
> As further proof of the fact that the town could not rely on the Baltimore & Ohio, the article noted that the railroad-owned Cumberland Rolling Mill had just laid off 300 man and 100 boys.[178]

By the time that the canal began to fall into decline in the late 1870s, Cumberland had developed an independent and permanent basis of economic prosperity and continued as an important industrial and commercial canter. The economic diversification of the city during this period can be seen from a list of its principal business concerns:

1. Steel Rail Mill and Merchant Bar Mill owned and operated by the Baltimore & Ohio Railroad. The Baltimore *American* of May 7, 1877, reported on the positive economic impact of the railroads Rollin Mill on the growth of Cumberland:

   > In the fiscal year 1873–74, the Baltimore & Ohio Company employed an average of 853 man per month in the rolling mill in the second great city of Maryland, Cumberland. The total wages paid during the year at that mill amounted to $432,858.55; 16,284 tons of metal were consumed at that mill, nearly all of which was purchased in the State of Maryland, and which was made at the furnaces in Washington, Frederick, Allegany and Baltimore counties. During that year the consumption of coal alone at the mill reached 100,000 tons, and there were large expenditures for other supplies. . .[179]

2. Bowery Blast Furnace owned and operated by the Cumberland Coal and Iron Company.
3. Five Frederick Companies
   a. Union Mining and Manufacturing Company at Mt. Savage.
   b. Savage Mountain Firebrick Manufacturing Co. at Frostburg.
   c. Globe Fireclay Manufacturing Co. at Bridgeport.
   d. Savage Firebrick Manufacturing Co. at Keystone Junction.
   e. Reese, Lemon and Co. at Ellerslie.
4. Two iron foundries and machine shops
5. Mills of Cumberland Cast Steel Works
6. Cumberland Cotton Factory
7. Cumberland Hydraulic Cement Manufacturing Company
8. Three steam tanneries in the city and two in the vicinity
9. Car, locomotive works, and machine shops of the Cumberland and Pennsylvania Railroad Company at Mt. Savage

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[178] Cumberland, *Alleganian and Times*, May 14, 1877, in Gorman Collection. At the same time, the Baltimore (insert 225A)
[179] Baltimore, *American*, May 7, 1877, in Gorman Collection.

10. Several large flour mills
11. Steam furniture works of K. H. Butler (Largest furniture plant in the state)
12. Numerous other factories including planning and saw mills and sash and door factories[180]

N. SUMMARY

Of the towns mentioned as receiving a definite stimulus from the operation of the canal or the railroad, only one achieved a permanent status as a result of these influences. Cumberland survived and prospered as the second largest city in the State into the 20th century. Projected communities such as Crommelin and Rushville never got off the ground. Towns such as Brunswick, Knoxville, Weverton and Williamsport which drew so heavily from the canal for their support declined with the fortunes of the waterway. Point of Rocks, Harpers Ferry and Hancock which were primarily exchange points in the valley trade, declined as through traffic replaced local business or survived on a lower level of economic activity and importance.[181]

[180] Orrick, *Mineral Resources and Manufacturing Facilities of Cumberland*, 7–31.
[181] Sanderlin, *A Study of the History of the Potomac Valley*, 102.

VI. IMPACT ON THE POPULATION

The expanded transportation facilities and related activities of the canal and railroad played a part in the growth of population in Western Maryland. The statistics for the four counties through which the canal passed were as follows:

	1820	1830	1840	1850	1860	1870	1880
Montgomery	16,400	19,816	15,456	15,860	18,322	20,563	24,759
Frederick	40,459	45,789	36,405	40,987	46,591	47,572	50,482
Washington	23,075	25,269	28,850	30,848	31,417	35,712	38,561
Allegany	8,654	10,609	15,690	22,769	28,348	38,536	43,802[182]

During this period the total population of the four Western Maryland counties in relation to the overall population of the state was as follows:

	State	Western	% of State
1820	407,350	88,588	21.7
1830	447,040	101,482	22.7
1840	470,019	96,401	20.5
1850	583,034	110,464	18.9
1860	687,049	124,678	18.1
1870	780,894	141,383	18.1
1880	934,632	169,779*	18.2[183]

The percentage of change in the population of the Western Maryland counties in comparison with that of the population in the State as a whole during this period was as follows:

	Western	State
1820–30	+12.7%	+8.9%
1830–40	-5.0%	+4.9%
1840–50	+12.7%	+19.4%
1850–60	+11.4%	+15.1%
1860–70	+11.8%	+12.0%
1870–80	+16.7%	+16.4%

[182] Scharf, *A History of Western Maryland,* Vol. I, 369–370, 654–656, Vol. II, 974, 1554, and Boyd, *History of Montgomery County,* 107. In 1836 Carroll County was established out of the eastern portion of Frederick and the western portion of Baltimore County, and in 1872 the western portion of Allegany County became Garret County. The latter had a population of 12,175 in 1880.
[183] Scharf, *A History of Western Maryland,* Vol. II, 1554. * The population of Garrett County is figured in this statistic.

APPENDIX A

WATER POWER LEASES FOR MILLS ON THE C&O CANAL IN GEORGETOWN: 1839–1900

LEASE NO. 1

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
George Buford, Washington	Flour, to 1843 burned, 1844; rebuilt 1845, cotton from 1845—sold to Wilson, 1850	South of the canal, sw corner of the market space and Potomac St.	400	May 7, 1846	Jan. 1, 1838	Jan. 1, 1886, mill sold to Thomas Wilson, 1850
Thomas Wilson, Baltimore, MD. Sublet to A. Pryor Williams and Co.	Cotton: 1860 to 1861		300	Transferred Renewed May 1, 1860	Jan. 1, 1860	Jan. 1 1859 Jan. 1, 1870 Mill closed 1861 Sold to A.H. Herr, 1865
Superior to 300 A.H. Herr Georgetown	Herr converted it from cotton to flour; And flour milling “Pioneer Mill” began in 1867, 140’ x 50’ in size		300	Assignment Approved on Nov. 9, 1865	Jan. 1865	Jan. 1, 1879
Superior to 330 G. A. Herr Austin Herr (Herr & Cissell)	Flour		300	Transferred	Sep. 30, 1836	1900

LEASE NO. 2

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Joseph Hocks Of George-town			Surplus wa-ter of Rock Creek Basin		Feb. 27, 1840	Feb. 27, 1860 Abandoned in 1840. forfeited on Sep. 5, 1844

LEASE NO. 3

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Nathaniel and A.P. Scaver (or Seaver)	Bark Mill	N. side of Wa-ter St., be-tween Potomac and Market St., near rear Hotshot	50		Mar. 4, 1840	Withheld and suspended by Apr. 1847
V. Turner, Trustee For Mrs. A. Robinson (Estate of Wm. Rob-inson)	Remodeled as a flour mill, 1845	Practically the same site as Seever's mill	125	Renewed and 75 inches added	Apr. 13, 1847	Apr. 1, 1860 transferred to Coor & Schroder & Co.
Leased from Rob-inson: Ge-rald Wilson	Flour	Adjacent	125	July 1, 1861 Sublet to Wilson		July 1, 1857
L. Benja-min Darkey and John Shoemaker, Georgetown	Flour and grist	Known as the "Rivers De Mill" under Shoe-maker	125	Apr. 11, 1867	Apr. 1, 1860	Apr. 1, 1880 transferred to Shoemaker & Co. 1880 bought by Shoemaker & Co. 1864

LEASE NO. 4

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Thomas Brown	Bakery	N.E. Corner of Water and Lingan Streets	50		July 1, 1840	July 1, 1880
Successor to Brown: John Hutton	Flour and grist		50	July 6, 1860 Renewed	July 1, 1860	July 1, 1880 Transferred to Fenny in 1872
Successor to John Hutton	Flour and grist		50	Transferred Renewed Apr 14, 1837	Jan. 12, 1872 Jul 1, 1880	July 1, 1880 July 1, 1900

LEASE NO. 5

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Thomas J. Davis	Flour, built in 1841	N. side of Water St., between Lingan and Fayette St. and near the N.W. corner of Water & Fayette Sts.	500		Sep 1, 1841	Sep 1, 1861 Sold to Boyd & Taylor
Successor to Davis Boyd & Taylor	Flour		500		Mar 9, 1854 Bought by Boyd & Taylor	Sep 1, 1881 Assigned 1860 to Boyce, Thomas and

Successor to Boyd & Taylor: Alfred H. Herr and James S. Welsh	Flour, corn and plaster	Called the "Columbia Mill"; a 4 story brick structure, size 128' x 60'	500	Aug 1, 1862 Also assigned by Herr to Welch	Sep 1, 1861	Sep 1, 1881 Assigned to Welch on Apr 1, 1862
Successor of Herr and Welsh: Jim S. Voigh			500	Aug 1, 1862	Sep 1, 1861	Transferred to Proctor 1879
Successor of Voigh: Richard Proctor	Flour		500	Transferred	Sep 30, 1879	Transferred to Herr, 1880
Successor to Proctor: Austin Herr of Herr and Cissell	Flour		500	Transfer renewed	Jun 30, 1880 Sep 1, 1881	Sep 1, 1881 Sep 1, 1901

LEASE NO. 6

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
R. E. Duvall, Georgetown		N. side of Water St. between Fayette and Lingan. Between Brown's Bakery and Davis' Mill			Apr. 13, 1843	1848

LEASE NO. 7

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Miller and Duvall	Saw	S.W. Corner of Water and Fayette Streets	50		1844	1843 Sold to Rynax 1843
Successor to Miller and Duvall: John Rynax	Iron foundry		50		Jun 1846	1882
Successor to Rynax: Mark Young	Grist		50	1862	1862	Dec 31, 1880

LEASE NO. 8

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Successor to 108 of Hungford Alexander Ray, Washington, D.C.	Flour and grist	N.W. corner of Water and Potomac Streets	100	Assigned to A. Ray May 1, 1860 Renewal to A. Ray; Reassigned to A. Ross Ray & Bro.	Jan 1, 1839	Jan 1, 1859 Reassigned to A. Ross Ray & Brother by 1849 Jun 1, 1879
Andrew Abes May Washington, D.C.	Flour and grist	N.W. corner of Water and Potomac Streets; known as the	150		Aug 14, 1845	Apr 1, 1880
And Albert May Firm of A. Ross Ray and Brother		"Arlington Mill"	400	May 1, 1880	Apr 1, 1860	Apr 1, 1880
Successor of A. Ross Ray and Brother: A. Ross Ray and Brother	Flour		500	Renewed	Apr 1, 1880	Apr 1, 1900 Transferred Sep 30 1885 to G.W. Cissell
Successor of A Ross Ray and Brother: G.W. Cissell & Co	Flour		500	Transferred	Sep 30, 1885	1900

LEASE NO. 9

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Wm. P. McConnell and Co., Georgetown			25	Granted for 2 years. Not renewable	Oct. 2, 1847	Oct 2, 1849 Transferred to Morrow & Co., 1848
Successor to McConnell Company: Wm. Morrow and Company	Tannery		50	Transferred and increased to 50 inches	May 8, 1848	Tannery burned in Dec. 1849

LEASE NO. 10

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Thomas P. Morgan			Surplus water of Rock Creek Basin		Dec 21, 1849	Jan 20, 1880 Transferred to Morgan and Rhinehart, 1860
Successor to Morgan: Morgan and Rhinehart					Jan 20 1860	Jan 20, 1880

LEASE NO. 11

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
William A. Bradley, Of Washington	Iron Foundry	N. E. Corner of Water and Fayette	100		July 1, 1851	Apr 1, 1880 Transferred Jun 30, 1859 to Elms and Bradley
Successor to Bradley: James Elms and William A. Bradley, Washington, Firm of Elms & Bradley	Flour		150	May 1, 1860, Renewed and increased to 150 inches	Apr 1, 1860	Apr 1, 1880 Mill burned 1879 This firm failed Dec 31, 1880

LEASE NO. 12

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
William C. Duvall	Cracker Bakery until 1857, when remodeled into flour mill	N. Side of Water Street, between Market and Frederick; near Frederick			About 1857	Apr 1, 1860 Renewed to Davidson, 1860
Successor to Duvall: John Davidson, Georgetown	Flour and grist	"The Model Mill"	200	May 1, 1860, renewed	Apr 1, 1860	Apr 1, 1880, Transferred to Tenney and Son, 1872
Successor of John Davidson: William H. Tenney and Son	Flour and grist		200	Transferred Renewed Apr 14, 1887	Jan 12, 1872 Apr 1, 1880	Apr 1, 1880 Apr 1, 1900

LEASE NO. 13

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
William H. Edes	Flour	70 Water Street	50	May 1, 1860, Permission from Nov 10, 1859 to transfer 50 inches from Little Falls	Apr 1, 1860	Apr 1, 1880 Transferred to Gartrell and Cissell, 1863
Successor to Edes: Cartwell and Cissell	Flour	Cherry Street near Potomac Street	50 50	Transferred Renewed	Jan 1, 1863 Apr 1, 1880	Apr 1, 1880 1900

LEASE NO. 14

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
George Hill Jr., Washington	Paper, "Potomac Paper Mill"	N.E. Corner of Water and Potomac Streets. A warehouse until 1864	200 <u>200</u> 400 417	Jan 21, 1864 200 additional inches granted Jan 1, 1863 by decision of U.S. Supreme Court Order of Feb. 1863 Increased to total of 417 square inches	Jul 1, 1864	July 21, 1884 Firm failed Jan 1, 1885

LEASE NO. 15

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
D. L. Shoemaker	Flour	Water, corner of High	96		1867	1880

LEASE NO. 16[1]

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Beall and Shoemaker	Flour	73 Water Street	125		1872	1880

[1] Young, *Antebellum Commerce of Old Georgetown*, 200–204

APPENDIX B

WATER POWER LEASES FOR MILLS ON THE C&O CANAL
BETWEEN GEORGETOWN AND LITTLE FALLS: 1840–1900

LEASE NO. 1

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
Farmers and Merchants Bank of Georgetown	Flour and grist	At "Old Locks", 2½ miles west of Georgetown	120 Perpetual grant by C&O Co. for cleaning old canal	Soon after Sep 11, 1839	Apr 1, 1840	Apr 1, 1860 Assigned by Feb 27 1881 to Edes
Successor of Farmers and Merchants Bank: William A. Edes	Flour and grist		120 50 170	Abandoned by Feb 27, 1851 after Edes purchased the mill from the bank	Feb 22, 1851 Lease increased 50 inches	Apr 1, 1880
Successor to Edes: David L. Shoemaker, Georgetown, Firm of D. L. Shoemaker and Brother	Flour and grist	"The Lock Mill"	200	May 1, 1860	Apr 1, 1860	Apr 1, 1880
Successor to D. L. Shoemaker and Brother: David F. Robinson, Georgetown	Flour and Grist		200	Mar 1, 1880	Apr 1, 1880	Apr 1, 1900

LEASE NO. 2

Lessee	Type of Mill	Location	Sq. in. of Water leased	Actual date of lease	Effective Date	Date of Expiration
James H. Mason, Executer of Gen. John Mason, Deceased	Iron Foundry	One half mile west of Georgetown	100	Apr 20, 1854	Feb 1, 1840	Apr 1, 1880
Successor to Mason: David L. Shoemaker and Francis D. Shoemaker, Corporation	Flour and grist	Foundry site "Foundry Mill"	100	May 1, 1860	Feb 1, 1860	Feb 1, 1880, transferred to Peall and Shoemaker, 1877
Successor to D. L. Shoemaker and Brother: 1.Peall and Shoemaker 2.David F. Robinson	 Flour and grist	Foundry site Foundry site	100 100	Transferred Sep 22, 1880	Jan 1, 1877 Feb 1, 1880	Feb 1, 1880 Feb 1, 1900[2]

	Firm	Location	Tenure
1.	M. L. Williams	Market Space at the canal	1862–1864
2.	E. S. Barrett	Congress Street near the canal	1862–1864
3.	Dickson and King	Corner of Greene and Water Streets	1862–1879
4.	Charles Myers	42 Water Street	1862–1864
5.	H. Barron and Son	49 Greene Street	1862–1866
6.	James A. Donnelly	105 Water Street	1863–1865
7.	J. C. Hieston and Company And Hayfield and Hieston	Corner of Jefferson Street and the canal And corner of Greene St. and the canal	1863–1886
8.	William R. Snow and Co.	79 Water and 107 Water St.	1864–1867[3]

LEGEND Symbols [MAP FROM YOUNG]
Location of former streets, bridges and structures
Location of former railways, chutes and wharves for unloading and shipping coal
Towpath, 1831–1858
Towpath, 1855–1884

Mills Using Water Power
1. Flour and cotton, 1833–1866
2. Use Unidentified, 1840
3. Bark and flour, 1840–1882

[2] Young, *Antebellum Commerce of Old Georgetown*, 205–207
[3] Young, *Antebellum Commerce of Old Georgetown*, 25.

4. Bakery and flour, 1840–1900
5. Flour, 1841–1901
6. Use unidentified, 1843–1848
7. Saw, iron foundry and grist, 1844–1880
8. Flour, 1847–1900
9. Tannery, location unidentified, 1848–1849
10. Use unidentified, 1849–1880
11. Iron foundry and flour, 1831–1880
12. Bakery and flour, 1857–1880
13. –13A. Flour, 1880–1900
14. Paper, 1884–1885
15. Flour, 1887–1880
16. Flour, 1872–1880

Coal Wharves Using Water Power

a. "Upper Coal Wharf", 1806–1880
b. "Ray's Docks", 1858–1880
c. W. A. Bradley, 1859–1860

Coal Wharves Not Using Water Power

a. American Coal Company, location unidentified, 1857–1880
b. James R. Wilson, 1857–1887
c. Morgan and Rhinehart, 1857–1867
d. Allen H. Sherman, 1857–1867
e. Aetna and Midland Coal Companies, 1858–1861
f. John F. Agnew, 1854–1886
g. Consolidation Coal Company, 1834–1880
h. New Hope Mine, 1866
i. Cumberland Coal and Iron Co., 1867–1873
j. Hampshire and Baltimore Coal Co., location unidentified, 1869–1873
k. Henry C. Winship, 1872–1875
l. Merodith, Gilmore & Co., 1875–1886

Key to Georgetown Street Names in the Appendices

Old	**Modern**
Greene	29
Washington	30
Jefferson	Jefferson
Congress	31
High	Wisconsin Avenue
Cherry	Grace
Potomac	Potomac (partially closed)
Market	33 (partially closed)
Frederick	34 (partially closed)
Fayette	35 (partially closed)
Lingan	36 (partially closed)
Water	K[4]

[4] Map, Legend, and Key from Young, *Antebellum Commerce of Old Georgetown,*

APPENDIX C

WAREHOUSES ALONG THE C&O CANAL: 1850–1890

LOGWALL OR WIDEWATER AREA (LOCKS NOS. 14–15)

In August 1861 John Pettibone was granted permission to build icehouses on the berm side of the canal near the Logwall just off the property of the company. The purpose of the structures was to provide facilities for the transportation of ice down the waterway to Georgetown. Nearly a year later in August 1862, the canal board authorized President Alfred Spates to execute an agreement with Baylis Kidder, granting them the privilege to cut ice in the Logwall vicinity for a 10-year period at an annual rental of $50.[5]

LOCK NO. 22

A list of the canal company's improved and unimproved real estate holdings along the waterway in 1890 indicates that three warehouses were standing near the lock at that time. The list provides the following information on the structures:

> Warehouse of W. L. Thrasher—lease expires 1897—$5 rent per annum.
> Warehouse of Upton Darby and Co.—rent unknown.
> Warehouse of George Pennifield—carried away by 1889 flood—lease expires 1897—$36 rent per annum[6]

LOCK NO. 24

At least two warehouses were built in the vicinity of Lock No. 24 in the early 1870's. On October 1871, the canal company granted a lease to John Darby and Son for "as much land as may be necessary to erect a warehouse on (the) berm side of (the) canal at Mouth of Seneca." The following year on March 5 the company directors approved a fifteen-year rent-free lease to James H. Gassaway, American Dawson, Samuel Dyson and others for "the right and privilege to erect a warehouse near the Mouth of Seneca." The structure was to be used for the purpose of "Freighting grain" from that point.[7]

The list of the canal company's improved real estate holdings in 1890 indicates that two storehouses or granaries were located near Lock No. 24. One was leased to William A. West for $36 per year, while the other tenant was listed as unknown. The West lease was to expire in 1893.[8]

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[5] *Proceedings of the President and Board of Directors*, K, 257, 270.
[6] *Real Estate, improved and unimproved. From the Records in Canal Co.'s office at Hagerstown and Information Obtained Orally from other Reliable sources*, 1890, Receivership Papers, Washington County Courthouse, Hagerstown, Maryland. The Thrasher warehouse was built apparently sometime in 1883, because an application by the Thrasher brothers to build a warehouse near Lock No. 22 was made in June of that year. *Proceedings of the President and Board of Directors*, N, 218.
[7] *Proceedings of the President and Board of Directors*, M, 5.
[8] *Real Estate, Improved and Unimproved*, 1890, Receivership Papers.

LOCK NO. 25

Canal company records indicate that a warehouse was being operated by James C. Young in 1859. There is no readily available information as to the dates of construction and early tenants of the warehouse.[9]

On October 5, 1861, the canal board approved the following resolution:

> That B. R. Poole be permitted to build a warehouse on the land of the Company at Lock 25, under the direction of the supervisor, on the usual terms of such grants and paying therefore an annual rent of $12 provided, that the company shall be exempt from any claim for damages, arising from any source.[10]

Nearly three years later on July 28, 1864, Charles F. Elgin requested permission to build a warehouse at Edwards Ferry for shipping granite. Although it is difficult to prove, this request may have been the warehouse used by the Potomac Red Sand Stone Company for which the canal company was receiving $625 in rent per year in 1890.[11]

According to a statement in the Montgomery County Circuit Court on May 28, 1872, there existed at Edwards Ferry a warehouse:

> partly built on the Canal Company's property by Geo(rge) W. Spates, and that a carpenter's shop belonging to the Canal Company stands nearby, where a lot of ground belonging to Spates is used for storing lumber. The agreement allows Spates to let (the) warehouse stand for ten years and Spates agrees to allow (the) Canal Co. to continue to use Spates' land for (the) Carpenter Shop.[12]

Aside from the aforementioned Potomac Red Sand Stone Company's operations, the list of the canal company's real estate holdings in 1890 indicates that a granary warehouse was located on the berm side of the canal near Lock No. 25. Its annual rental was unknown, and its tenants were not given.[13]

LOCK NO. 26

Sometime during 1864 Daniel S. White built and occupied a warehouse on the berm of the canal just above the lock and adjacent to the road leading to the ferry landing (then known as Conrad's Ferry). The two-story warehouse was 70 feet long paralleling the canal and 23 feet in width. There were chutes on the canal side through which the grain was poured into canal barges. White paid $36 a year for the lease of the warehouse, but by 1890 the lessee and rental fees were listed as unknown. The structure was razed by the National Park Service in 1962, but the foundation, built of Seneca red sandstone, remains to indicate its location.[14]

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[9] *Proceedings of the President and Board of Directors*, K, 87, 97.
[10] *Ibid*, K, 222.
[11] *Ibid*, K, 393, and *Real Estate, Improved and Unimproved*, 1890, Receivership Papers.
[12] Land Records, Liber., 52, EBP 10–p. 4 –5, Montgomery County Circuit Court, Clerk's Office, Rockville, Md.
[13] *Real Estate, Improved and Unimproved*, 1890, Receivership Papers
[14] Miele, *Physical History*, 119; John F. Luzader, *Historic Structures Survey Report, Warehouse-Granary White's Ferry* (NPS Mss., 1962), 1–3; and *Proceedings of the President and Board of* Directors, K, 410. See 264–265 for drawings describing the operation of this structure.

MOUTH OF MONOCACY, NOLAND'S FERRY, POINT OF ROCKS

In November 1865 Otho W. Trundle was granted permission to build warehouses at the basin at the mouth of the Monocacy River, Noland's ferry and Point of Rocks. The warehouses were all to be built under the direction of the Superintendent of the Monocacy Division. The other stipulations in the agreement were: (a) the annual rental for each building would be $36; (b) the buildings should not be placed so as to interfere with the navigation of the waterway; and (c) no liquor was to be sold on any of the premises.[15]

LOCK NO. 28

The real estate list of 1890 refers to a warehouse near Lock No. 28. It was leased to J. G. Waters at $36 per year. No other information has been found relative to this structure.[16]

LOCK NO. 29

On March 24, 1864, the board of directors granted permission to George P. Remberg to construct a "warehouse on the lands of the Company on the berm side of the Canal near Lock No. 29." In 1890 the tenants and annual rental for the warehouse were listed as unknown.[17]

LOCK NO. 42

A canal company document in 1877 indicates that Charles Dellinger had leased a stone storehouse and a wood hay shed near Lock No. 42 for an undetermined period. The storehouse, which was used for the storage and shipment of "grain, corn and store goods", fronted on the berm side of the lock and was 30 feet wide and 20 feet long. The hay shed adjoined the storehouse and was 30 feet wide and 18 feet back. In 1877 Charles Dellinger died and his son Daniel took over the lease. In 1890 he was still leasing the "storehouse and granary" for an annual rent of $36.[18]

MERCERSVILLE

A warehouse and loading dock, Known as Harris' Warehouse and later as Boyer's Warehouse, stood at Mercersville about 1 ½ miles above Lock No. 40 during the operation of the canal. The remains of the dock on the berm side of the canal are all that remain of this site, now known as Taylor's Landing.[19]

WILLIAMSPORT

There were at least three warehouses along the canal in Williamsport during the operating years of the waterway. Near Lock No. 44 were two warehouses leased to F. H. Darby and Sons and Charles Embrey and Sons. Both firms were involved in the coal and grain trade. On the basin just east of Aqueduct No. 5 was the warehouse operated by Victor Cushwa for his profitable coal and

[15] *Proceedings of the President and Board of* Directors, K, 458–459.
[16] *Real Estate, Improved and Unimproved*, 1890, Receivership Papers.
[17] *Proceedings of the President and Board of* Directors, K, 374, and *Real Estate, Improved and Unimproved*, 1890, Receivership Papers.
[18] Miele, *Physical History*, 121.
[19] Dellinger to Gorman, May 1, 1877, Ltrs. Recd., C & O Co. and *Real Estate, Improved and Unimproved*, 1890, Receivership Papers.

grain transportation business. Although Cushwa had established his concern prior to the 1870's, he signed a 50-year lease for his warehouse in 1879 at an annual rental of $100 for the first five years and $120 thereafter.

GUARD LOCK NO. 5

In 1890 a warehouse was operated by Abram Roth near the guard lock. The date of construction and other information relative to the warehouse is not available.[20]

LOCKS NOS. 47–50 (FOUR LOCKS)

The board granted permission to Denton Jacques on April 19, 1863, to lease company land near Lock No. 49 for the purpose of building warehouses. He was given a 10-year lease to a plot of ground 100 by 125 feet on the berm side and a plot 10 by 15 feet wide on the towpath side. The rental fee was set at $10 per year. At the end of the lease he was to be given an additional 10-year lease at an undetermined rent, provided none of the structures would interfere with the free use of the canal and that no liquor would be sold on the property.

On June 1, 1866, William J. Hassett was authorized to build a warehouse and establish a coal yard on the canal berm at Lock No. 50. The warehouse and coal yard, which he was to rent at $36 per year, were to be constructed under the direction of the engineer and general superintendent of the canal.

In 1890 there were two warehouses listed on canal property at Four Locks. A store, warehouse and hay shed were operated by Snyder and Fennser, and a warehouse near Charles' Mill on the canal berm was rented to the operator of the mill.[21]

MCCOY'S FERRY

In 1890 the company records listed a warehouse as being operated by Frank Winter on the berm side of the canal just above McCoy's Ferry.[22]

HANCOCK

Just above Lock No. 52 in Hancock were located the Cohills Sumac Mills. This manufacturing concern, for which construction data is unavailable, consisted of several warehouses, a flour mill and store rooms. In 1890 the operation was listed as being leased to S. Rhinehart, who was paying an annual rent of $100 for water power.[23]

LOCK NO. 67

In 1890 a store and warehouse at the lock were listed as being rented to M. H. Russell for $36 per year, the lease to expire in 1898. No other information relative to the construction of these buildings is available.[24]

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[20] *Real Estate, Improved and Unimproved,* 1890, Receivership Papers.
[21] *Ibid,* and *Proceedings of the President and Board of Directors,* K, 327, 494..
[22] *Real Estate, Improved and Unimproved,* 1890, Receivership Papers.
[23] *Ibid.*
[24] *Ibid.*

LOCK NO. 70

Near Lock No. 70 were a warehouse, storehouse and icehouse according to the 1890 company list. No other information is available on these structures.[25]

LOCK NO. 71

Near Lock No. 71 was a warehouse which according the 1890 company list was unoccupied. No other information is available on this structure.[26]

[25] *Ibid.*
[26] *Ibid.*

APPENDIX D

COAL YARDS AND WHARVES USING WATER POWER
FROM THE CHESAPEAKE AND OHIO CANAL
TO UNLOAD AND SHIP COAL: 1856–1880[27]

Lessee	Location	Water used	Actual date of grant	Effective Date	Date of Expiration
Swanton Coal and Iron Company	East of the Alexandria Aqueduct, at the S.E. corner of Water and Lingen Streets in the river front	Water supplied gratis to unload canal boats if quantity did not exceed that required to lock boat into river and back to canal	Oct. 12, 1855	Spring, 1836	March, 1858 Acquired by Borden Mining Company, 1858
Successor to the Swanton Company: Borden Mining Co. John R. Masters, Agent Beginning in 1872	Same as Swanton Company known as the "Upper Coal Wharf"	Same as Swanton Company until 1873, when annual rental changed		Mar 1853	Free grant to 1873 Rental to 1880
Longcoming Coal and Transportation Co., Washington, Alexander Ray, Agent, Georgetown. The MD and New Central Coal Companies were also shipping over Ray's Docks by 1869, and S.P.S. Hutson by 1870. Central transferred to Agnew in 1876.	Immediately west of Market Street, extending to river front wharf near the S. W. corner of Water and Market Streets. Known as "Ray's Docks" and "Lower Coal Wharf"	Same as in Grant A until 1873, when annual rental charged	Aug 5, 1855	Fall, 1858	Free grant to 1873 Rental to 1880
William A. Bradley	N.W. corner of Water and Fayette Streets, extending southward to riverfront wharf near S.E. corner of Water and Fayette Streets	Same as in Grant A, until 1860		June 7, 1859	1860

[27] Young, *Antebellum Commerce of Old Georgetown*, 208–212.

APPENDIX E

LIST OF COAL YARDS AND WHARVES IN GEORGETOWN SHIPPING COAL WITHOUT THE USE OF WATER POWER: 1856–1880[28]

Lessee	Location	Effective Date	Date of Expiration
American Coal Company		Aug 18, 1857	1880
James R. Wilson	Western end of Rock Creek Mole, adjoining Georgetown	Soon after Sep 3, 1857	Sep, 1867
Morgan and Rhinehart	On berm of the Rock Creek Basin at Georgetown	Sep 7, 1857	June, 1867
Allen M. Sherman	S.E. end of Rock Creek Mole, adjoining Georgetown	Oct. 1, 1857	Oct 1, 1867
Aetna Coal Company and Midland Coal Company, James R. Wilson, Agent, Georgetown	Between Market and Frederick Streets, extending southward to riverfront wharf between the same streets	Soon after Jun 30, 1858	1861
John P. Agnew, from 1876, agent of the New Central Coal Company	Foot of Frederick Street on the riverfront	1864	Through 1866
Consolidation Coal Company, Henry I. Weld, agent	On Linthicum's Wharf at the foot of Market Street on the riverfront	Nov 10, 1884	Through 1880
New Hope Mine J.H.T. McPherson, agent	Foot of Market Street on the riverfront	1866	1868
Cumberland Coal and Iron Company	Near and east of the Alexandria Aqueduct, on the riverfront between Lingan and Fayette Streets	1867	1878
Hampshire and Baltimore Coal Company		1869	Through 1878
Henry C. Winship	At the S.E. corner of the intersection of Market Street with the canal	1872	1875
Meredith Gilmor and Company	Foot of 30 Street on the riverfront	1875	1886

[28] Young, *Antebellum Commerce of Old Georgetown*, 203–204.

APPENDIX F

THE CHIEF RETAIL COAL DEALERS NEAR THE CHESAPEAKE AND OHIO CANAL IN GEORGETOWN: 1860–1880[29]

1	M. L. Williams	Market Space at the Canal	1862–1964
2	E. B. Barrett	Congress St. near the canal	1862–1864
3	Dickson and King	Corner of Greene and Water Sts.	1862–1879
4	Charles Myers	41 Water St.	1862–1864
5	H Barron and Son	49 Greene St.	1862–1866
6	James A. Donnelly	105 Water St.	1863–1865
7	J. C. Hieston & Co. and Mayfield & Hieston	Corner of Jefferston St. and the canal; and corner of Greene St. and the canal	1863–1886
8	William R. Snow & Co.	79 Water St. and 107 Water St.	1864–1867

MILLS USING WATER POWER

1. Flour and cotton, 1839–1900
2. Use unidentified, 1840
3. Bark and flour, 1840–1882
4. Bakery and flour, 1840–1900
5. Flour, 1841–1901
6. Use unidentified, 1843–1848
7. Saw, iron foundry, and grist, 1844–1880
8. Flour, 1847–1900
9. Tannery, location unidentified, 1848–1849
10. Use unidentified, 1849–1880
11. Iron foundry and flour, 1857–1900
12. Bakery and flour, 1857–1900
13. –13A. Flour, 1860–1900
14. Paper, 1864–1885
15. Flour, 1867–1880
16. Flour, 1872–1880

COAL WHARVES USING WATER POWER

A. "Upper Coal Wharf," 1856–1880
B. "Ray's Docks," 1858–1880
C. W. A. Bradley, 1859–1860

COAL WHARVES NOT USING WATER POWER

A. American Coal Company, location unidentified, 1857–1880
B. James B. Wilson, 1857–1867

[29] Source: Young, Rogers W. "The Chesapeake and Ohio Canal and the Antebellum Commerce of Old Georgetown." Branch of Historic Sites. National Park Service, January 1940.

C. Morgan and Rinehart, 1857–1867
D. Allen M. Sherman, 157–1867
E. Aetna and Midland Coal Companies, 1858–1861
F. John P. Agnew, 1864–1886
G. Consolidation Coal Company, 1864–1880
H. New Hope Mine, 1866
I. Cumberland Coal and Iron Co., 1887–1878
J. Hampshire and Baltimore Coal Co., location unidentified, 1869–1878
K. Henry C. Winship, 1872–1875
L. Meredith, Gilmore & Co., 1875–1886