When Construction Faltered
1842–1850

In the December, 2019 issue of Along the Towpath we left the C&O Canal Company in August 1843, after construction had declined to a dribble and then was brought to a standstill. This was because of the illegal effort of the new company president, Williams Gibbs McNeill, to unilaterally execute a contract to continue construction. Maryland, which by that time held controlling interest in the company, removed McNeill and chose James M. Coale, a canal company director from Frederick County, as his successor.

Coale (1805–1882), a lawyer, proved to be one of the most capable presidents in the canal’s history. In 1849, while still C&O Canal Company president, he became a brigadier general of the Ninth Brigade of Maryland Militia and would later serve several terms in the state legislature. The Baltimore Sun’s obituary for Coale largely credits him with the defeat of the effort by Secretary of War Edwin M. Stanton to attach the Maryland eastern shore counties to the state of Delaware (one of several such efforts in Maryland’s history).

In 1843 the canal was operating for 134 miles to where the Dam 6 feeder entered the main stem at the foot of Lock 54. Since 1831, when the first section of the canal opened from Inlet 2 beside Lock 23, the long, narrow, shallow draft boats designed to navigate the upper Potomac and its tributaries could access the quiet waters of the canal. As additional sections opened from the inlets feeding water into the canal from pools behind each of the dams, this access happened farther and farther inland. Also, the three river locks had come into service: the Shenandoah River Lock opposite Harpers Ferry in 1833, that across from Shepherdstown in 1835, and the staircase locks just below Edwards Ferry in 1838. William Bauman’s transcription of shipping news from period newspapers documents the lively activity of boats carrying produce from upriver to tidewater and from tidewater back to the towns and villages to the north and west.

The promise of what was to come if the canal could access the coal fields near Cumberland was well understood, as indicated in this Washington Daily Madisonian article from 1842. That article also, almost incidentally, reflects the importance of the river being in the right condition for shipping (i.e. neither too high as in a flood state or too low when rocks become a problem):

From the Georgetown (D.C.) Advocate – A foretaste of what is to be enjoyed by us on the completion of the Chesapeake and Ohio Canal to the coal region at Cumberland, has been administrated this week by the arrival hither of a fleet of boats, laden with the black diamonds of the Alleghany. Fifteen boats freighted over 17,000 bushels of coal, are already arrived, and there are many more to follow…. We ought perhaps to state that we are indebted for this arrival to the high water mark in the Potomac between Cumberland and the head of the Canal [i.e. Inlet 6], whereby the rapids of the river were comparatively obliterated.

Coale, however, found himself in a situation where the idea of finishing the canal to Cumberland was rapidly losing support. The B&O Railroad had reached Cumberland in 1842, although stalled there until the end of the decade when it began construction westward again. An arrangement made by Coale in September 1843 with the railroad to carry coal to the then-Virginia side of Dam 6 for transshipment to boats that could navigate the canal, proved to be more harmful than helpful for two reasons: (1) The amount of coal handled in this way was too little to even be recorded in official documents of the time (“inconsequential” in Sandorlin’s words); and (2) It invited the suggestion that completion of the canal to Cumberland was unnecessary. Also, by 1842 the advantages of the railroad as a mode of transportation were becoming obvious to virtually everyone, as were the difficulties of building and operating the canal.
However, the 50 miles to Cumberland above Dam 6 already had substantial construction done along them. The Paw Paw tunnel had been holed through on June 5, 1840. The Sideling Hill and Evitts Creek Aqueducts had been completed to the point of their final estimate being paid in May–June 1840 on the former and October 1841 on the latter. In addition, Locks 55, 57, 72, 73, and 74–75 had been completed. No lockhouses had been built, although a building had been constructed or a nearby one acquired to serve the locktender at the inlet lock at Dam 6. It likely continued to serve lockkeepers at the adjacent Locks 54 and 55 when they were watered more than a decade later in the summer of 1850. On all the other structures and the canal prism, work done when westward construction ceased (on different dates ranging from 1838–1842), varied from none or very little to a considerable amount.

Coale’s task in the summer of 1843 appeared to be impossible. The company was deeply in debt and as much as it was being used—primarily by the shallow river boats (although some boats were being built just for the canal)—it was clear that it needed to tap the product of the coal fields west of Cumberland if it had any chance of becoming a commercial success. To counter the argument that transshipment from the B&O to the Canal at Dam 6 was adequate, Coale did a thorough analysis of transportation by railroad and canal, drawing on information from Britain. His special report in November 1843 showed that the Dam 6 connection would not return to the state its investments in the canal. The canal must be finished to Cumberland if Maryland were to see a return on its investments.

Fortunately, the 1844 elections saw canal-friendly governor Thomas Pratt scheduled to take office on Jan. 6, 1845 along with many canal-friendly members in the new assembly. Consequently, canal proponents re-introduced a bill that had been defeated in March 1844. Somewhat modified, it would authorize the canal company to issue $1,700,000 of preferred construction bonds on the mortgage of its revenues. Because the state itself was deeply in debt, a stamp act to provide a means of paying the interest on the state’s own debt was linked to the canal bill. After a bitter fight, the canal bill and stamp act passed by one vote in the House of Delegates, 38 to 37.

Needless to say, those concerned about the debts behind this legislation, and especially the Baltimore contingent, were predictably angry at its passage—strengthening the regional and political animosities that had characterized the canal’s struggles from the beginning. Additionally, the canal bill specified that the bonds could not be sold until the company received guarantees from the Alleghany coal companies for 195,000 tons of trade annually for the first five years beginning six months after the completion of the canal to Cumberland. On the plus side, the state waived its previous lien on the canal in favor of the bonds.

Coale, with the help of influential canal supporters, immediately set to work gathering the required shipping commitments from the coal companies. In Boston and New York, Coale himself visited the officials of coal companies, only to discover evidence of interference by the B&O interests. Also, an article appeared in the New York Herald focused on the canal’s winter closures and the more frequent handling and transshipment of coal shipped by canal that resulted in damage to it. Ultimately, however, Coale was able to deliver some twenty-eight commitment documents for a total of 225,000 tons to Governor Pratt who approved them in August 1845, finally allowing the printing of the bonds.

On Sept. 23, 1845, the C&O Canal board accepted the offer of Messrs. Gwynn & Company (Walter Gwynn, William Thompson, James Hunter, and Walter Cunningham) to complete the canal by November 1, 1848. Further they promised to raise $100,000 for the company to pay its essential expenses and they agreed to cash the bonds of the canal company at par, paying the interest on them until January 1, 1848. The price to be paid for the work was $1,625,000 in canal bonds.

All sections were let by October 1845, and on November 1 a small force was on the job. However, the contract depended on the contractor’s success in raising the funds for major construction by the sale of the bonds or finding investments based on them. Unfortunately, this proved impossible, at least partly due to the economic effects of the war with Mexico (May 13, 1846 to Feb. 2, 1848). By May 1, 1846 only $55,384 worth of work had been done and the workforce had decreased to a “nominal” level. By the end of June 1846 only 10 men remained at work. In July negotiations to sell the bonds collapsed, and all work ceased.

For all intents and purposes no significant progress on the unfinished structures or sections of prism had been accomplished between November 1845 and the summer of
1846, and no work would be done the rest of 1846. Additionally, most of 1847 was added to the years with minimal progress, like those from 1838 to 1842. This meant what works there were along the last 50 miles had essentially laid derelict since their contracts had been abandoned in the late 1830s or beginning of the 1840s. One might wonder why the canal company did not simply fold at that point, but of course it still had the face value of most of the $1,700,000 in bonds.

In February 1847, the directors offered to sell the company’s state-backed bonds to the state of Maryland! Not surprisingly, the state was uninterested. But by early March 1847, Maryland had shored up its credit by providing for the payment of the arrears of its debt and the prompt payment in the future of the semi-annual interest—and the canal company’s credit benefited indirectly. Virginia finally stepped forward with a guarantee of $100,000 in canal bonds, and loans were authorized in the combined amount of $100,000 from Washington, Georgetown, and Alexandria. The loans were essentially a guarantee to take $100,000 of bonds.

By the fall, the canal company had essentially added arrangements with interests in Boston, Britain’s Barings Bank, and the contractors themselves to cover the entire $1,100,000 needed to finish the work. Although Barings withdrew due to a tightening of the international money market, local capitalists were expected to fill that breach and the mortgage of the canal’s revenues was formally executed. It named 29 capitalists in New York, Boston, and Washington who agreed to undertake the sale of the bonds.

Work was resumed November 18, 1847 under a slightly modified contract with a reorganized contractor: Hunter, Harris, & Company. It was formed after Gwynn and Cunningham retired and a new partner, Thomas Harris, joined the firm. Old problems, especially of sickness and lack of laborers, hindered the work, but nevertheless in May 1849 some 1,447 men and 594 horses, mules, and oxen were employed on the unfinished works along the 50 miles. This was, however, as Coale reported to the stockholders in June, “not as large as was desirable.” By September the workforce had dropped to half that in May.

Then, in March 1850 Hunter, Harris & Co. found itself unable to pay the workers on the line. Labor violence, such as that seen with the failure of contractors in the 1830s, threatened again until payment of the men’s wages was assigned to trustees for the company. But when work resumed under the trustees, it was with a still smaller workforce.

Despite the inadequate rate of progress, Coale reported to the stockholders at the annual meeting in June that Chief Engineer Charles B. Fisk believed the current force could finish what remained to be done and allow for the admission of water from Cumberland to Dam 6 by the middle of July 1850. Then the date for the completion was extended to August 1 only to have the Trustees exhaust all their resources and all work to end before July was out.

Uncompleted locks in July 1850 included 59, 60, and 61–66. As to lockhouses, Unrau in the C&O Canal Historic Resource Study states regarding Locks 56–75 and the Guard Lock above Dam 8:

When work resumed on the “fifty-mile” section of the canal on November 18, 1847, Hunter, Harris and Co. subcontracted for the construction of these lockhouses. Canal company records do not indicate the names of the subcontractors, the dates of construction, or the building costs. The records indicate that not all of these lockhouses were completed by October 10, 1850, when the canal was formally opened to navigation. It may be assumed that they were completed during the following year.

It also appears that finishing touches were required on the Town Creek Aqueduct and the lining of the tunnel with brick was still not completed. It is not known if there were culverts and waste weirs still incomplete, but it was quite possible that there were.

Since the 1845 contract with Messrs. Gwynn & Company, the C&O Canal Company had been setting dates in the proximate future for the completion of the canal, and again and again, always for complex reasons rooted primarily in the economics, those deadlines had not been met. Essentially, the following would summarize the whole sad struggle:
In 1837 and 1838 contracts began to be abandoned and in some cases new ones would not be issued until 1845.

From the spring of 1842 to the late fall of 1845 no construction on the final 50 miles would take place.

From late 1845 to July 1846 work was done with a workforce too small to make major progress.

From November 1847 to July 1850 many structures were completed, but not all, leaving essential work still to be done.

Once again, in July 1850, as it declared the contract with Hunter, Harris & Company abandoned, the company faced yet another year without the canal being open from Cumberland. This must have been especially galling to everyone, as the prospect in late 1849 of a spring opening, and then in the spring of 1850 of a summer opening, had seemed so likely.

It is at this point that an astonishing thing happened: While normally the writing, advertising, and granting of a new contract would take a significant amount of time, a new contract was signed with Michael Byrne before the end of the July.

Michael had been born in Ireland in 1792 and first appeared in the United States working on Pennsylvania’s Union Canal in 1825 as a contractor with William Byrne (likely his brother) and a Paul Provost. In August 1830, the company of Byrne & LeBaron (apparently including William as his name is included on the Monocacy Aqueduct builders stone), became the third contractor on the Monocacy and completed it in May 1833. Michael went on to become—usually with a partner—a major contractor on the C&O Canal, building the Conococheague Aqueduct, multiple lift locks, Edwards Ferry staircase river locks, Guard Lock 5, and the original stone-filled crib Dam 5, among other structures. Without question he was the company’s most experienced and reliable contractor.

Michael Byrne’s company became so well known, that the major 19th C. Pennsylvania engineer, James Worrall, in his Memoirs (published 1887), when writing about his first job as a young, apprentice engineer on the C&O in 1833, stated:

A grand work was going on in full blast. The heaviest contractors in the United States had it—the great old “Byrne & Co.”—pronounced Burns & Co.—Michael and William Byrne. Locks, aqueducts, culverts, heavy excavations.

So, the question becomes: Why would Michael have his company take on a contract for the minor bits and pieces of canal structures needing to be completed? What was in it for such a major contractor? Certainly not what the canal company offered: A mere $3,000 cash and $21,000 in bonds that Michael would have realized were of questionable value.

My personal belief is that Michael approached Coale and offered to complete the canal for watering by fall. I think it extremely likely that he simply could not countenance yet another year with the canal unfinished and that he must have been appalled by the canal’s endless financial difficulties and delays. Finally, by virtue of the number of structures his company had built, he must have had a personal, subjective association with the great work as well as understood his professional reputation would always be linked to it.

Be that as it may, Michael Byrne’s company finished the canal in August and September, making possible the rewatering and opening of the last 50 miles on October 10, 1850. The lining in the tunnel was completed over the winter and on February 17, 1851 the final payment was made to Byrne, completing his contract. This date marked, in a technical sense, the formal completion of the canal to Cumberland.

Also, that February 1851, after seven years and seven months of service, James M. Coale left the presidency of the C&O Canal Company. Having come into the office at the darkest and most hopeless time in the construction era, he had been a major force—if not the major force—in getting the construction going again and, despite the false starts and abandoned contracts, finished. Looking back, it is hard to believe that the canal did not end at Dam 6, where it would have certainly died before long. I credit Coale with its completion and consider him one of three most effective and dedicated C&O Canal Company presidents alongside Charles Fenton Mercer (June 1828–June 1833) and Arthur Pue Gorman (June 1872–August 1882).

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