

The minutes of the 28 December meeting reflect no discussion concerning these resolutions, which were apparently adopted unanimously. But the resolutions serve to illustrate the dual role of the commissioners and the conflict occasionally arising from it. On the one hand, their function was to see to it that the internal improvement companies operated efficiently in order to maximize the return to the state on its invested capital. But the Constitution also charged the commissioners with using all legal means to adjust the toll rates to promote the agriculture of the state. Here the latter was paramount as the board asked these companies, in effect, to subsidize agriculture by transporting agricultural products at cost.

Matters proceeded routinely for the board during 1856 and 1857. Directors of the three major improvement companies were selected without difficulty in March 1856 to serve until October, at which time they were reelected. For reasons not made clear in the board's minutes, the annual meeting (and the selection of state directors) was moved to October. Aside from the selection of these various railroad directors and the election of the president and directors of the C & O Canal Company, the only other undertaking by the board was the appointment of its president, Moore N. Falls, as a committee of one to examine the books of the C & O. This he did, and at the board meeting of 26 November 1857 announced that he found them to be correct.<sup>26</sup>

The board was scheduled to meet again on 5 December 1857, but there are no minutes for such a meeting—only six blank pages in the minute book. Meanwhile the terms of Falls and Nelson expired in November, and Frederick Schley and Henry R. Reynolds were elected to succeed them.

The first meeting of the new board was held in Washington, D.C., on 3 February 1858, and Reynolds was elected president. The board selected the directors of the Annapolis and Elkridge and the B & O railroads. For reasons not stated in the minutes, an entirely new group of ten directors was appointed to the B & O. No incumbent state director received reappointment; indeed the incumbent slate received the vote of only one commissioner, although the minutes do not reflect who it was.<sup>27</sup>

During its 1858 session the General Assembly apparently had come into possession of the C & O's financial statements, which showed the company to be insolvent on both a balance sheet and income–expense basis. Having received no report from the board since March 1854 and recognizing the “calamity” to the state should navigation on the canal be destroyed, the Senate on 1 March 1858 adopted an order calling attention to the duty of the board to keep a journal of its proceedings and to report to the legislature at each regular session. The Senate further directed the commissioners:

to communicate to the Senate a copy of their journal of proceedings, and to report by what measures they propose to provide the necessary money to pay the debts of the Chesapeake and Ohio Canal Company, that are payable out of the revenues of said Company, for the year 1858, to pay for the two stone dams now being built across the Potomac, and to remove any obstructions to the navigation of the canal that may be caused by breaches in its embankments, or by other damage that may occur to any works of this Company during the approaching recess of the Legislature.<sup>28</sup>

In compliance with that direction, Schley and Reynolds submitted a report to the legislature on 6 March 1858. They began by noting that they had only recently “entered upon the duties of their office, and only a few days ago obtained access to the record of proceedings of their predecessors,” and therefore were not fully cognizant of the affairs of the board. Based upon their limited knowledge, however, they saw no need for additional legislation.<sup>29</sup>

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26. *Ibid.*, 27 March, 25 October 1856, 26 November 1857, pp. 31-32, 37, 49.

27. *Ibid.*, 3 February 1858, p. 57.

28. *S. Jour.* (1858), p. 366.

29. *Ibid.*, doc. I, p. 3.