

of all kinds of produce and grain during the summer and fall, prevented the farmer and manufacturer from conveying their products to market. They have, in a majority of cases, held back for better prices, and the spring trade will doubtless reap the advantage of the heavy harvests of last summer, which are in a great measure still garnered up for future speculation. There were also, considerable breaches in the canal, produced by the violent rains and freshets of July and August last, which interrupted the navigation for nearly a month during a period of great activity in the flour markets. This also contributed to lessen the amount of tolls that would otherwise have accrued. On the 14th of April the board of directors passed an order, to take effect on the 1st of May, requiring two-thirds of the tolls to be paid in current funds—before that time one half only was required in current money. This latter regulation is still in force, and the revenues thereby derived, together with the receipts from rents of lands and water-rights, now form the only means of support and subsistence to the company.

The whole amount of scrip outstanding on the 1st December, 1841, was \$521,339 25, showing that the company have redeemed during the last twelve months, the sum of \$29,693 75, all of which has been destroyed and burnt. This amount has been received principally in payment of those portions of the tolls which have not been required in current funds as before mentioned.—To this may also be added the scrip for the lots and warehouses sold in Georgetown, of which we will presently speak, amounting to the sum of \$8,790, which is now due and will be received in the course of a few days. This will make the aggregate of scrip redeemed in the last year, amount to the sum of \$38,483 75, and the whole amount outstanding will then be \$482,855 50.

Under the sanction of a resolution of the stockholders, adopted in pursuance of a suggestion contained in the report of the President and directors on the 6th of June last, the company, after giving due notice by advertisement, sold at public auction on the premises, on the 6th of August, several lots and warehouses in Georgetown, which were not needed for the purposes of the canal, and which were consequently unprofitable in the hands of the company. The sales were made on a short credit, and produced the gross amount of \$8,790 in the scrip of the company, by the election of the purchasers, according to the published terms. As all these lots and premises are covered by the several mortgages which have been executed by the company to the State of Maryland, which contain a provision that “the proceeds of the sales or leases of the whole of the property, hitherto or hereafter to be acquired by the company, as the same shall be, from time to time, sold or leased, shall be paid to the Treasurer of Maryland,” to constitute a sinking fund for the liquidation of the principal of the debt thereby secured, some doubts have been suggested as to the validity of a conveyance from the company under such sales, and its binding effect against the State, in as much as the purchaser