

is bound to see to the proper application of the purchase money, and the taking of scrip would render a compliance with the terms of the mortgages impracticable. It was mainly to obviate any difficulty on this point, that the board of directors, before they proceeded to sell the small parcels mentioned, sought and obtained the sanction of the agents representing the State in the company, as to the course they were about to pursue, and they also felt assured that whatever right the State might possess in technical law, to set aside their acts in that behalf, the sales as made, would command its approval, and receive its confirmation if necessary. The purchasers at the sale have not insisted on the objection alluded to, but are willing to comply with the terms and accept the deeds of the company. As there was no reason, however, for an immediate sale of the residue of the surplus property along the line of the canal, the board deemed it advisable to postpone all further sales until the subject could be brought to the consideration of the Legislature, as the mere suggestion of a doubt in regard to the binding effect of the sales—whether with or without foundation—would materially affect the prices, until the same be removed. There are still many parcels of land, which are not, and never can be, required for the use of the canal or its works, scattered along the line, which, it is believed, may now be profitably disposed of for scrip or the bonds of the company. If, upon a consideration of the subject, the legislature should concur in the views of the board of directors and the stockholders of the company, and be opinion that such property should be sold for scrip or other evidences of debt due from the company, we would respectfully suggest the expediency of the passage of a law or joint resolution, giving the necessary authority, and also ratifying and confirming the sales and conveyances which have already been made.

In the month of February last, upon the application of Mr. William Easby, an enterprising ship builder of the city of Washington, permission was granted to him to make the experiment of running a steam passenger boat, of his own invention, upon the canal. The boat was accordingly constructed and placed upon the canal in July last, for the transportation of passengers; but after a trial of a few weeks, it failed to answer the expectations of its owner and inventor, and it was therefore withdrawn and the project abandoned. Whether at any period the canal will be found to offer sufficient inducements for passenger transportation, running as it does through the same region of country, and for a large portion of its distance parallel with the Baltimore and Ohio Rail Road, hardly admits of a question. All observation indicates the contrary, and demonstrates that whilst rail roads, other things being equal, must monopolize the passenger travel in consequence of the superior speed, the greater cheapness of canal navigation, and the fact of its being a common highway, will always command for it a preference in the transportation of heavy burthens. It was for freight of this character, that the canal was