

COMMUNICATION.

SUSQUEHANNA CANAL OFFICE,
Baltimore, January 12th, 1845.

D. CLAUDE, Esq.,
Treasurer, Maryland,

SIR,—I duly received your letter of the 10th inst., enquiring the reasons which occasioned the failure of the Susquehanna and Tide Water Canal companies to comply with the provisions of the Act of December session 1843, chapter 363 and of the mortgages and bonds executed by them in conformity therewith, by order of the House of Delegates.

In reply I beg leave to enclose you an account of the receipts and expenditures of the canals for the last quarter, from October 1st to January 1st 1845, and also a general statement of the receipts and expenditures from the 1st of July last, including the accounts of both quarters now and heretofore rendered, commencing with that date.

Up to the first of July 1844, by the provisions of the law above mentioned, the bonds and mortgage executed in pursuance of its provisions, were received as payment of the arrears of interest due to the State. To that date therefore, the claims of the State upon the companies were liquidated.

Anterior to that date, there were debts contracted upon the line for damages and incidental expenses and other liabilities incurred for the companies to the payment of which the funds received were applied.

The accounts now forwarded will show that the receipts since the 1st of July last, were inadequate to meet the whole claims of the State and that deducting the several sums paid for repairs, including damages, counsel fees, &c. as explained in the account, the whole receipts have been paid over to the State with the exception of the sum of \$3,821 97, stated as being retained in the Treasury, and the sum of \$4,058 88 paid to individual liabilities incurred for the companies.

The sum retained in the Treasury is for the purpose of paying the expense of repairs necessary to be made in the course of the winter, and to enable the companies promptly to meet the expense of any accident, should any such occur before the opening of the