cent. per annum is payable and shall be paid at the office of said Company, in the City of New York, on the first days of January and July in each year of said eight years; and in case default is made in the payment of said semi-annual interest when demanded, that then the principal sum shall immediately become due

A. Mehaffey President
A. M. Sherman

E. H. S. No 12.

To the stockholders of the

Cumberland Coal & Iron Company

In submitting to you this my fourth annual report of and surrendering a trust which has proved so much more arduous than desirable, I regret I cannot lay before you a more cheering account of the business of the Company.

In the year 1855 the Stockholders having become satisfied of the burthensome extent of their unproductive property, resolved to relieve themselves from the unnecessary and oppressive amount of taxes, interest and other charges thereon, by the sale of a portion of their mining lands; and this was accomplished to a limited extent and the Company partially relieved. But there is still a wide margin for reform in the same direction and until the policy then adopted shall be fully carried out and the disproportion between the productive and the unproductive property of the Company be greatly diminished, all hope of any adequate return, even under the most favorable circumstances that can be reasonably anticipated, must prove entirely delusive.

I feel it therefore, my duty to recommend the policy heretofore adopted by the stockholders of selling, if practicable or leasing, or both, portions of your accessible lands. Every year's experience in my opinion will add to the evidence of the prudence, if not the necessity, of this policy.

Mining always being attended with great expense, the degree of success or failure, in every instance, will be found in just proportion to the amount of unnecessary property for its practical working.

With the aid and co-operation of an efficient board, I have adopted every means of economy that experience and prudence would warrant or safety to the extended and precarious interest would admit; and although its current expenses are still greatly disproportioned to its business and receipt, experience will prove that, all experiments to keep up a healthy condition of its high proportions with a less force and diminished expenditure, will result in inefficiency decrepitude and failure.

The business of the last preceding fiscal year and the adoption of our coal as a fuel, by some of the best managed Rail Roads in New England, gave promise of a greatly

increased demand for the year 1857 - to meet which, it was deemed advisable to enlarge and increase the transporting and shipping facilities for the commencement of the season.

Considerable expense was therefore incurred in completing those arrangements, but a series of unforeseen and unprecedented calamities to the Chesapeake and Ohio Canal, our most important means of transportation and the (practically) prohibitory tariff of the Baltimore and Ohio Rail Road Company rendered all precautionary measure unavailing and we were compelled to see month after month of the business season pass by without being able to send coal enough to market to defray the current expenses of the company.

Against these embarrassments the Board struggled from week to week and by the most generous sacrifices of personal interests, continued to meet all the demands against the Company until the 29th day of September last when it became evident that the affairs of the Company must go into liquidation unless some prompt measure was taken to arrest the immediate pressure of its floating debt and to keep it intact.

Under the advice of Counsel therefore a Deed of all the property of the Company (not under Mortgage) was made in trust for the benefit of the debts then existing.

In consideration of such deed, the several creditors in a manner and with a promptness highly creditable to them, agreed to extend their demands to such period as was deemed practicable for the Trustees or the Company to undertake the payment of the same.

At the time above mentioned the Company was compelled for want of working capital to suspend all operations which they have not until recently, been able to resume.

Of the business of the past fiscal year I have to state that there 117411. Tons 12 cwt of Coal, which, after paying expenses for mining, transportation, agencies, salaries, repairs, insurance, and commissions shows a loss of $15,674.42.

Inclusive of disbursements on construction; building boats, cars &c $47,562.08 the aggregate outlay over and above the receipts is $63237.16 The trade owing to the late financial revulsion is still languid and affords but little prospect of improvement the present year.

The demand for our coal for Locomotive use, has not increased as rapidly as was anticipated by our more sanguine friend its superiority however for that purpose is fully established and admitted it has become a necessity to many of our roads, paying dividends and must in time be used to the almost entire exclusion of wood, the saving over the latter is shown by the most accurate practical tests to be from forty to fifty five per cent. So much has been said in previous