ment is deemed by the engineer to be adequate to a transportation of 450,000 or 500,000 tons a year. The Company's wharf at Cumberland, purchased some years ago for $40,000 and has been recently improved at a cost of $20,000 and now affords excellent accommodation for the shipments by the canal, effecting a considerable saving in the expenses at that point, and securing a preference of the Boatmen. The Company has also canal boats and scows, most of the former being recently built, which are estimated to be sufficient to carry through the Canal about 150,000 tons, and relies on transient boats, if it should need more. It has a wharf at Alexandria under a permanent lease, upon which it has expended $13,000.

It has also a spacious and conveniently constructed wharf at Baltimore, which has cost $65,000: And it has seven schooners, purchased at a cost of $97,400, when it was supposed they would be necessary to insure reasonable rates of freight from Alexandria and Baltimore, and which may be sometimes useful in insuring regularity in the supply.

The property of the Company in addition to the lands, mining houses, and the railroad, was estimated by a committee of the Directors, on the 31st day of July 1857, at the value of $581,307 and with some additions since made is probably now worth about $500,000.

It is the opinion of the agents and officers of the Company that its annual production could be largely increased without much addition to construction.

Causes of the Company's Embarrassments

It is not our purpose to advert to errors of the original plan or early management of the Company further than is necessary to illustrate its present condition and policy.

It commenced business, under its present corporate organization, at a time when the opening of the Chesapeake and Ohio Canal to Cumberland, and the adapting and equipping of the Baltimore and Ohio Railroad for the carrying of coal, attracted to this region the excited speculations which prevailed in 1852-3. It shared in the over sanguine anticipations which expected to realize in one year the natural growth of many; counted on the immediate use of its coal by locomotives, which no, after a lapse of five years, has yet practically begun, and relied on a competitive power in the general market which its measures for cheapening transportation failed to secure. It miscalculated as to the quantity which its then existing arrangements for mining would enable it to annually produce and made costly provisions out of proportion to its actual

production. It adopted an expensive organization in this city, costing it annually about as much as is expended for the same purposes by the Delaware and Hudson or Pennsylvania Companies, which have been each doing three times the business and in addition a system of sale of sales agency, which those companies have not thought necessary, and could not have afforded, without a sacrifice of twenty percent of their entire net profits.

It mistook also as to the natural, cheapest, and, on the whole, most reliable channel of transportation; and, looking mainly to the Baltimore and Ohio Rail Road, advanced to it ($150,000) to enable it to buy cars invested some $120,000 in barges to run in connection with it, and got up an expensive system of inland transportation.

It began its business on that railroad under a contract to carry coal for five years for $1.75 from Cumberland to Baltimore, but before a year had elapsed on the 1st of November 1853, the charge was raised to $2.25 under the allegation that the conditions of the contract had not been fulfilled. and again on the 1st of October 1856, the charge was advanced to $2.75 and not relaxed the 1st of March 1858 when it was restored to $2.25

Meantime the Company had been doing less than one half of its business by the Chesapeake and Ohio Canal, and doing that profitably, notwithstanding the canal had the imperfections incident to a new work, and was subject to defects in the construction of a small portion of it growing out of the financial embarrassments amid which it had been completed. While the last advance of railroad charges, in October 1856, was turning attention to the canal and the Company was forced to look to an increase of that part of its business, a succession of ice freshets, commencing in February 1857 carried away the two defective dams, by means of which the portion of the canal alleged to was fed, and rendered the navigation unnavigable for half of the season.

It was under these adverse circumstances, both as to the railroad and the canal, that the business of 1857 commenced. The expenditures for construction continued, the Company became embarrassed; yielded to the blast of financial revulsions, went to protest, and executed a deed of trust to secure its creditors.

Capability of Profitable Business

Nevertheless there is nothing in the actual experience of the Company to discredit the conclusion as to its capabilities of doing a profitable business, which is inferred from the natural