ONE HUNDRED AND THIRTEENTH
ANNUAL REPORT
OF THE
BOARD OF MANAGERS
OF
The Lehigh Coal and Navigation Company
TO THE
STOCKHOLDERS

FISCAL YEAR ENDED DECEMBER 31, 1933
BOARD OF MANAGERS
OF
THE LEHIGH COAL AND NAVIGATION COMPANY

PRESIDENT
S. D. WARRINER

MANAGERS
Term expires, February, 1934  Term expires, February, 1936
PAUL B. SAWYER  ROBERT L. CLARKSON
WILLIAM JAY TURNER  CLARENCE H. GEIST
S. D. WARRINER  WILLIAM P. GEST

Term expires, February, 1935  Term expires, February, 1937
EDWARD WALTER CLARK  EDWARD J. FOX
GEORGE T. BISHOP*  E. B. LEISENRING
GEORGE H. FRAZIER†  C. S. W. PACKARD

GENERAL OFFICERS
H. F. BAKER.............  Vice-President
HENRY H. PEASE...........  Vice-President and Secretary
E. HUGHES................  Vice-President and Comptroller
WILLIAM JAY TURNER.....  General Counsel
0. E. NEFF...............  Treasurer
R. V. PIERCE.............  Assistant Secretary
HENRY LODGE.............  Assistant Secretary
T. P. SCOTT..............  Assistant Treasurer
F. M. FISHER............  Assistant Comptroller

LEHIGH NAVIGATION COAL COMPANY
J. B. WARRINER..................  President

LEHIGH AND NEW ENGLAND RAILROAD COMPANY
ROLLIN H. WILBUR.........  Vice-President and General Manager

* Resigned, November 22, 1933.
† Died, January 9, 1934.
PHILADELPHIA, PA., February 14, 1934.

To the Stockholders of
The Lehigh Coal and Navigation Company:—

The Board of Managers respectfully submits the One Hundred and Thirteenth Annual Report covering the business of your Company for the fiscal year ended December 31, 1933:

INCOME.

The net income of your Company for the year 1933, accruing from its direct operations and from railroad rentals, dividends from subsidiary and other companies, and income from other sources, but not including the undistributed earnings and losses of subsidiary companies, the stock of which is owned or controlled by your Company, was $1,942,194.38, as shown on the Income Account on page 18.

Giving effect to the earnings and losses of subsidiary companies, the consolidated net income of your Company amounted to $826,118.68, as shown on the Consolidated Income Account on page 16.

For details of the consolidated financial condition of your Company and its subsidiaries, as of December 31, 1933, together with operating results during the year, reference is made to the following statements, which have been certified as correct by Messrs. Lybrand, Ross Bros. & Montgomery, Accountants and Auditors, as shown by their letter of transmittal on page 13:

Consolidated Balance Sheet, pages 14 and 15.
Consolidated Profit and Loss Account-Surplus from Income, page 16.
Consolidated Income Account, page 16.
General Balance Sheet, page 17.
Income Account, page 18.
Profit and Loss Account-Surplus from Income, page 18.
Statement of Funded Debt, page 19.
Securities Owned, page 20.

CAPITAL STOCK AND FUNDED DEBT.

During the year, 37 shares of the old capital stock having the par value of $50.00 per share were exchanged for 111 shares of common capital stock without nominal or par value, leaving 45 shares of the old capital stock unconverted at the end of the year.
1933

The Lehigh Coal and Navigation Company.

Bonds issued under the Funding and Improvement Mortgage of 1898, to the amount of $27,000.00, were purchased and canceled during the year. The funds for this purpose were provided by the payment to the trustee by your Company of $26,372.32, under the sinking fund provisions of the Mortgage. The bonds thus retired were Series A, Nos. A 506 to 509, both inclusive, 543, 1006 to 1015, both inclusive, 1367 and 1368, and Series B, Nos. B 3585 to 3589, both inclusive, and 3787 to 3791, both inclusive. On December 31, 1933, the bonds of the Funding and Improvement Mortgage outstanding in the hands of the public amounted to $3,557,000.00.

Bonds issued under the Consolidated Sinking Fund Mortgage of 1914, to the amount of $59,000.00, were purchased and canceled during the year. The funds for this purpose were provided by the payment to the trustee by your Company of $41,825.87, under the sinking fund provisions of the Mortgage, together with $8,400.00, being the proceeds from the redemption, under the sinking fund provisions, of $8,000.00 of The Panther Valley Water Company General Mortgage Sinking Fund 6% Gold Bonds, pledged under the Consolidated Sinking Fund Mortgage. The amount of Consolidated Mortgage Sinking Fund Gold Bonds outstanding in the hands of the public at the end of the year was $19,695,000.00.

The total amount of funded debt outstanding in the hands of the public at the close of the year was $23,252,000.00, a decrease of $86,000.00 during the year.

A detailed statement of the funded debt of your Company appears on page 19.

In addition to the bonds of your Company, there were outstanding in the hands of the public at the end of the year bonds and equipment trust obligations of subsidiary companies as follows: $7,000,000.00 bonds and $1,091,000.00 equipment trust obligations of the Lehigh and New England Railroad Company; $500,000.00 bonds of the Wilkes-Barre and Scranton Railway Company (guaranteed principal and interest by your Company); and $30,200.00 bonds of the Summit Hill Water Company; making the total funded debt of your Company and its subsidiaries outstanding in the hands of the public at the end of the year, $31,873,200.00, as shown on the Consolidated Balance Sheet on page 15.
COAL.

Your Company's interests in the production and distribution of coal were carried on during the year by its wholly owned subsidiaries, the Lehigh Navigation Coal Company and the Greenwood Corporation, and their affiliated companies.

The operations of these companies for the year resulted in a consolidated income of $473,015.26 before provision for fixed charges and reserves aggregating $1,815,775.47, made up as follows: Taxes, $859,345.59; sinking fund, $61,171.13; depletion, $162,618.09; depreciation, $732,640.66. Deducting these charges, the net loss of your combined coal interests was $1,342,760.21.

The production of commercial anthracite by the Lehigh Navigation Coal Company for the year was 2,780,058 net tons, a decrease, as compared with 1932, of 80,495 net tons, or 2.81 per cent. There were sold during the year 2,993,269 net tons, a decrease of 2,476 net tons, or 0.083 per cent. The production from the company's lands by lessees was 153,194 net tons, a decrease of 26,353 net tons. The production of the industry as a whole was approximately 2.98 per cent. less than that for the previous year.

The condition of the anthracite industry continued unsatisfactory, although the decline of recent years in the demand for anthracite was retarded. Competition, both within the industry and with other fuels, continued to result in an unsatisfactory return for its product. Toward the end of the year, however, prices were somewhat more stable than in the early months.

The industry has been in negotiation with the authorities under the National Industrial Recovery Act, but a code has not yet been adopted and approved.

The efforts of the anthracite operators to secure a lower wage scale, referred to in the Annual Report for 1932, were unsuccessful. The two referees, appointed under the terms of the agreement with the United Mine Workers of America to consider the question, failed to agree, and the referee appointed by the mine workers refused the request of his colleague to bring in a third party to arbitrate their differences. Direct negotiations in April with the leaders of the mine workers on the same subject failed when the Secretary of Labor of the United States requested a postponement of such effort, pending the working out of President Roosevelt's recovery program.
Labor disturbances at the Panther Valley mines of the company were more pronounced during the year than in recent years. Agitation for exact equalization of working time among the various collieries, regardless of cost, has been at the base of most of the difficulties. There were brief strikes in August and November, and one in December that lasted fourteen days.

The operations of the Lehigh Navigation Coal Company were seriously affected by unprecedented floods in late August and early September. Heavy rains culminated on August 23rd in a rainfall, measured at Lansford, of 8.63 inches in a period of twenty-four hours. On September 3rd there was a rainfall of 6.41 inches. The total rainfall for the months of August and September was 25.15 inches and most of this occurred in the twelve-day period between August 22nd and September 3rd. As a result, in spite of pumping facilities believed to be more than adequate, based on past experience, to meet any emergency, the mines were badly flooded. Two of them had not been fully recovered at the end of the year. The actual expense incurred in combating the effects of these floods was $235,000, in addition to which at least an equal loss is attributable to reduced efficiency of operations during the period while the flood effect continued.

The properties of the company were fully maintained and the necessary development work was carried on to meet the curtailed requirements for coal under the present commercial situation. No important additions to plant were made.

Water from the new Still Creek dam of The Panther Valley Water Company (referred to in the Annual Report for 1932) was obtained in February at Coaldale, Greenwood and Tamaqua breakers, for use in washing coal.

The lease of the Maryd property to the Hazle Brook Coal Company expired May 31, 1933, and was not renewed.

Mr. H. T. Miller, General Sales Manager of the Coal Company, died July 13, 1933, and Mr. G. W. Seiler was appointed to fill the vacancy.

Decreased costs and improvements in operating efficiency were effected during the year, but unfortunately were more than offset by lower prices and the large expenses and losses caused by the floods and strikes above referred to.

Coal inventories were materially reduced during the year.
RAILROADS.

The rentals received by your Company during the year for leased railroads amounted to $2,294,284.81.

During the year, your Company and The Central Railroad Company of New Jersey, the lessee of your Company’s Lehigh and Susquehanna Railroad and Branches under the lease of 1871 and supplements, made an agreement dated March 23, 1933, in respect of past and future abandonments of portions of the leased premises not necessary for the service of the public.

The subject of abandonments had been under discussion for some years and the agreement was the result of careful consideration by both companies. In the opinion of your Board, its terms and conditions are reasonable and proper for the protection of the interests of each company.

The agreement has been approved by the Directors and Stockholders of The Central Railroad Company of New Jersey as well as by your Board of Managers; and upon approval by the Stockholders of your Company at the annual meeting to be held February 27, 1934, will become effective as of its date.

The operations of the Lehigh and New England Railroad Company, the capital stock of which is controlled by your Company, resulted as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railway operating revenues</td>
<td>$3,000,725.00</td>
</tr>
<tr>
<td>Railway operating expenses</td>
<td>($2,300,106.99)</td>
</tr>
<tr>
<td>Net revenue from railway operations</td>
<td>$700,618.01</td>
</tr>
<tr>
<td>Railway tax accruals</td>
<td>$87,364.00</td>
</tr>
<tr>
<td>Uncollectible railway revenues</td>
<td>109.69</td>
</tr>
<tr>
<td>Railway operating income</td>
<td>$613,144.32</td>
</tr>
<tr>
<td>Other operating income</td>
<td>182,409.24</td>
</tr>
<tr>
<td>Total operating income</td>
<td>$795,553.56</td>
</tr>
<tr>
<td>Deductions from operating income:</td>
<td></td>
</tr>
<tr>
<td>Joint facility rents</td>
<td>93,296.08</td>
</tr>
<tr>
<td>Net railway operating income</td>
<td>$702,257.48</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>28,531.54</td>
</tr>
<tr>
<td>Gross income</td>
<td>$730,789.02</td>
</tr>
<tr>
<td>Deductions from gross income:</td>
<td></td>
</tr>
<tr>
<td>Interest on funded debt</td>
<td>$402,869.37</td>
</tr>
<tr>
<td>Other deductions</td>
<td>27,581.60</td>
</tr>
<tr>
<td>Total deductions from gross income</td>
<td>430,450.97</td>
</tr>
<tr>
<td>Net income</td>
<td>$300,338.05</td>
</tr>
</tbody>
</table>
The freight traffic of the Lehigh and New England Railroad during the year amounted to 5,230,044 net tons, a decrease of 125,446 net tons, as compared with 1932.

Revenues have decreased to a greater extent than the loss of tonnage would indicate, due to the increase in passing-over traffic and the decrease in traffic originating on the line, notably cement.

The property of this company has been fully maintained, and operations during the year, notwithstanding the decreased tonnage available for transportation, were satisfactory.

**CANALS.**

The Lehigh Canal was maintained, and water powers were operated throughout the year except when interrupted by severe floods in August and September, which necessitated extensive repairs.

Canal operations for the year show a net loss of $34,452.86, a decrease in net loss of $23,254.78 as compared with the previous year.

Charges to operation on account of Depreciation of Canal Boats and Other Equipment amounted to $8,097.81.

The operations of The Delaware Division Canal Company of Pennsylvania resulted in a net income of $6,806.67 from water power rentals and miscellaneous revenue.

**WATER.**

The operations of The Panther Valley Water Company and the Summit Hill Water Company, controlled by your Company and serving the territory between Nesquehoning and Tamaqua, including the Borough of Summit Hill, resulted in a consolidated net income of $64,425.54.

The completion of the Still Creek reservoir and the pipe line to the collieries of the Lehigh Navigation Coal Company resulted in increased revenue from the sale of water to that company. The cost of this project amounted to approximately $700,000.00.

**GENERAL.**

Two dividends of 10 cents per share each and one dividend of 20 cents per share, aggregating $772,026.00, were declared during the year on the 1,930,065 shares of the common capital stock of
your Company without nominal or par value. At its meeting on April 26, 1933, the Board of Managers of your Company decided that the question of dividends would be determined semi-annually in April and October instead of quarterly, as theretofore.

Dividends, amounting to $1.00 per share, the same as in the previous year, were received on your Company's holdings of common stock of the National Power & Light Company.

The dividends received on your Company's holdings of Lehigh and Hudson River Railway Company stock amounted to $46,820.00, an increase of $9,364.00 as compared with the previous year.

No dividends were received during the year on the stock of the Glen Alden Coal Company held by your Company.

On January 25, 1933, Mr. Harris Creech resigned as a member of the Board of Managers of your Company, and Mr. Robert L. Clarkson was elected to serve for the unexpired term for which Mr. Creech had been elected.

Through the death on January 9, 1934, of Mr. George H. Frazier, your Company sustained the loss of a valued member of its Board of Managers, and at a meeting held January 24, 1934, the Board adopted the following Minute:—

The Board of Managers of The Lehigh Coal and Navigation Company records with much sorrow the death on January 9, 1934 of Mr. George H. Frazier, a Member of the Board since December 9, 1912 and of the Executive Committee from October 27, 1915.

Mr. Frazier's sound judgment, as well as his wide business knowledge and experience, have been of great value to the Company in the administration of its affairs, and his advice and counsel in the deliberations of the Board and Executive Committee will be sorely missed.

The character and personality of Mr. Frazier endeared him to the individual Members of the Board, who sincerely mourn his death and the severance of the personal association with him which they have so long valued and enjoyed.

While thus recording their high appreciation of Mr. Frazier's services, and their sense of the loss sustained by the Company in his death, the Members of the Board desire to convey to his family their profound sympathy in the great affliction which has befallen them.

The Board acknowledges its appreciation of the services rendered by the officers and employees during the year.

By order of the Board of Managers.

S. D. WARRINER,
President.
LYBRAND, ROSS BROS. & MONTGOMERY
Accountants and Auditors
PACKARD BUILDING
PHILADELPHIA

February 2, 1934.

Mr. S. D. Warriner, President,
The Lehigh Coal & Navigation Company,
Philadelphia.

DEAR SIR:

We report that we have examined the accounts of
THE LEHIGH COAL & NAVIGATION COMPANY
AND SUBSIDIARY COMPANIES
for the year 1933, including the verification of all cash balances and
the examination of securities owned and in the custody of the
Treasurer, and have also received confirmations of the securities
owned and pledged as collateral under the several loans.

We certify that the accompanying statements:

The Lehigh Coal & Navigation Company and Subsidiary Companies:
Consolidated Balance Sheet, December 31, 1933
Consolidated Profit and Loss Account-Surplus from Income
for the year ended December 31, 1933
Consolidated Income Account
for the year ended December 31, 1933

The Lehigh Coal & Navigation Company:
General Balance Sheet, December 31, 1933
Income Account
for the year ended December 31, 1933
Profit and Loss Account-Surplus from Income
for the year ended December 31, 1933
Statement of Funded Debt, December 31, 1933
Securities Owned, December 31, 1933,

in our opinion, set forth correctly the consolidated financial condition
of the Companies and of The Lehigh Coal & Navigation Company
as at December 31, 1933, and the consolidated results of their opera-
tions and the results of the operation of The Lehigh Coal & Navi-
gation Company for the year ended that date.

Very truly yours,

LYBRAND, ROSS BROS. & MONTGOMERY.
1933

The Lehigh Coal and Navigation Company.

THE LEHIGH COAL AND NAVIGATION
CONSOLIDATED BALANCE

ASSETS.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal lands, mining and marketing property.</td>
<td>$45,308,954.66</td>
</tr>
<tr>
<td>Canal property.</td>
<td>$3,875,776.85</td>
</tr>
<tr>
<td>Railroad property.</td>
<td>$40,038,331.50</td>
</tr>
<tr>
<td>Water property.</td>
<td>$2,583,839.78</td>
</tr>
<tr>
<td>Real estate</td>
<td>$885,708.28</td>
</tr>
</tbody>
</table>

INVESTMENTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free</td>
<td>$3,595,802.48</td>
</tr>
<tr>
<td>Pledged</td>
<td>$222,500.00</td>
</tr>
</tbody>
</table>

(Appraised value based on market quotations is in excess of ledger value.)

WORKING ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$4,603,284.90</td>
</tr>
<tr>
<td>Customers' accounts, less reserves.</td>
<td>$2,837,456.50</td>
</tr>
<tr>
<td>Notes receivable.</td>
<td>$568,891.51</td>
</tr>
<tr>
<td>Coal in storage.</td>
<td>$1,105,648.23</td>
</tr>
<tr>
<td>Material and supplies.</td>
<td>$921,178.52</td>
</tr>
<tr>
<td>Sundry debtors.</td>
<td>$516,157.45</td>
</tr>
<tr>
<td>Accrued income receivable.</td>
<td>$15,866.79</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred and Suspended Accounts.</td>
<td>$975,432.50</td>
</tr>
<tr>
<td>Sinking Fund Assets.</td>
<td>$8,876.08</td>
</tr>
</tbody>
</table>

$108,063,706.03

10,568,483.90
LIABILITIES.

**Funded Debt**: $46,171,200.00
Less treasury bonds unpledged: 14,298,000.00
Total: $31,873,200.00

**Mortgage Payable**: 25,000.00

**Working Liabilities**:
- Notes payable: $28,204.74
- Audited vouchers and pay rolls: 1,316,174.89
- Sundry creditors: 58,175.98
- Accrued taxes: 1,135,603.85
- Matured and accrued interest: 709,269.67
Total: 3,247,429.13

**Deferred and Suspended Accounts**: 192,898.91

**Reserves**:
- Depletion: $745,826.32
- Depreciation: 16,149,069.25
- Workmen's compensation insurance: 417,491.54
Total: 17,312,387.11

**Minority Interests**: 216,902.75

**Capital Stock and Surplus**:
- Capital stock, authorized 3,000,000 shares,
  Issued:
  - 1,929,930 shares, no par value: $32,167,750.00
    (Exchangeable for 135 shares of no par value stock.)
  - 45 shares, $50 par value...
- Appropriated under rulings of Interstate Commerce Commission and Public Service Commission of Pennsylvania: 116,183.27
- Profit and loss: 11,338,163.29
Total: 23,028,138.13

**Surplus**:
- Capital: $2,340,391.14
- Appropriated from appraisal of assets: 9,233,400.43
Total: 11,573,791.57

**Total**:
- $108,063,706.03
1933

The Lehigh Coal and Navigation Company.

THE LEHIGH COAL AND NAVIGATION COMPANY

CONSOLIDATED PROFIT AND LOSS ACCOUNT-SURPLUS FROM INCOME
for the year ended December 31, 1933.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, January 1, 1933</td>
<td>$11,525,394.73</td>
</tr>
<tr>
<td>Net income for the year ended December 31, 1933, as annexed</td>
<td>826,118.68</td>
</tr>
<tr>
<td>Sundry adjustments</td>
<td>$233,228.31</td>
</tr>
<tr>
<td>Dividends-paid</td>
<td>772,026.00</td>
</tr>
<tr>
<td>Adjustment for minority interests</td>
<td>$11,346,259.10</td>
</tr>
<tr>
<td>Balance, December 31, 1933</td>
<td>$11,338,163.29</td>
</tr>
</tbody>
</table>

THE LEHIGH COAL AND NAVIGATION COMPANY
AND SUBSIDIARY COMPANIES

CONSOLIDATED INCOME ACCOUNT
for the year ended December 31, 1933.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross earnings</td>
<td>$21,650,613.31</td>
</tr>
<tr>
<td>Operating expenses, including provision for workmen's compensation and uncollectible accounts</td>
<td>20,153,251.96</td>
</tr>
<tr>
<td>Railroad rental</td>
<td>$2,334,278.46</td>
</tr>
<tr>
<td>Dividends</td>
<td>762,076.00</td>
</tr>
<tr>
<td>Interest</td>
<td>28,762.99</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>209,526.20</td>
</tr>
<tr>
<td>Taxes</td>
<td>$1,140,142.69</td>
</tr>
<tr>
<td>Depreciation and depletion</td>
<td>1,119,376.78</td>
</tr>
<tr>
<td>Interest</td>
<td>1,473,582.49</td>
</tr>
<tr>
<td>General expenses</td>
<td>266,936.82</td>
</tr>
<tr>
<td></td>
<td>4,000,038.78</td>
</tr>
<tr>
<td>Net income</td>
<td>$831,966.22</td>
</tr>
<tr>
<td>Net income apportioned to minority interests</td>
<td>5,847.54</td>
</tr>
<tr>
<td>Net income of The Lehigh Coal &amp; Navigation Company and subsidiaries</td>
<td>$826,118.68</td>
</tr>
</tbody>
</table>
THE LEHIGH COAL AND NAVIGATION COMPANY

GENERAL BALANCE SHEET, December 31, 1933.

ASSETS.

Railroads, canal and other fixed assets........................................ $20,089,014.04
Bonds and stocks of affiliated companies................................. $39,104,557.29
(Includes bonds and stocks pledged aggregating $9,239,477.80 and stock of affiliated company whose coal lands are subject to liens of The Lehigh Coal & Navigation Company mortgages.)
Other investments.......................................................... 3,536,462.48
(Appraised value based on market quotations is in excess of ledger value.)
Advances to affiliated companies............................................. 2,357,327.71

WORKING ASSETS:

Cash................................................................. $2,974,431.43
Sundry debtors:
   Affiliated companies................................................. $60,458.96
   Others.................................................................. 46,618.89
   Materials and supplies............................................ 17,408.62
   Accrued interest receivable...................................... 11,964.58
   Suspended debit accounts........................................... 107,077.85
   Depreciation and other operating reserves..................... 7,310.01

$3,110,882.48

LIABILITIES.

Funded debt................................................................. $37,550,000.00
Less treasury bonds, unpledged............................................... 14,298,000.00
$23,252,000.00

WORKING LIABILITIES:

Audited vouchers and pay rolls............................................ $73,886.10
Sundry creditors.......................................................... 67,67
Accrued taxes.................................................................. 746,208.25
Matured and accrued interest on funded debt......................... 516,677.50
Dividends unclaimed...................................................... 7,310.01

1,344,149.53

Suspended credit accounts.................................................. 18,330.21
Depreciation and other operating reserves.............................. 531,659.27

CAPITAL STOCK AND SURPLUS:

Capital stock:
   1,929,930 shares, no par value....................................
   45 shares, $50 par value
   (Exchangeable for 135 shares of no par value stock.)
   $32,167,750.00

Surplus........................................................................... 11,295,605.03

43,463,355.03

$68,609,494.04

The Company is guarantor of subsidiary company’s bonds aggregating $500,000.
1933

The Lehigh Coal and Navigation Company.

THE LEHIGH COAL AND NAVIGATION COMPANY

INCOME ACCOUNT.
For the Year Ended December 31, 1933.

REVENUES.

Canal revenue. ................................ $50,711.32
Railroad rentals. .................................. 2,294,284.81
Dividends ........................................ 930,460.00
Interest .......................................... 72,884.53
Miscellaneous .................................... 43,168.83

$3,391,509.49

EXPENSES,

Canal operation. ................................ $85,164.18
General taxes .................................... 153,875.00
Interest .......................................... 1,029,779.30
General expenses ................................ 180,496.63

1,449,315.11

Net income. ..................................... $1,942,194.38

THE LEHIGH COAL AND NAVIGATION COMPANY

PROFIT AND LOSS ACCOUNT-SURPLUS FROM INCOME
For the Year Ended December 31, 1933.

Dr.                                              Cr.
Balance, January 1, 1933................................ $10,130,048.75
Net income for the year ended December 31, 1933 ........ $1,942,194.38
Sundry accounts adjusted.............................. $4,612.10

DIVIDENDS:
1933 Feb. 28 $.10 per share on
1,930,065 shares. $193,006.50
May 31 $.10 per share on
1,930,065 shares. 193,006.50
Nov. 29 $.20 per share on
1,930,065 shares. 386,013.00

Total dividends year 1933............................ 772,026.00
Balance, surplus from income December 31, 1933.. $11,295,605.03

$12,072,243.13 $12,072,243.13

Balance brought forward, January 1, 1934............ $11,295,605.03
THE LEHIGH COAL AND NAVIGATION COMPANY

STATEMENT OF FUNDED DEBT, December 31, 1933.

<table>
<thead>
<tr>
<th>Description</th>
<th>Dates of Maturity</th>
<th>Rates</th>
<th>Payable</th>
<th>Accrued during the Year</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding and Improvement Fifty-Year Gold Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A, Coupon</td>
<td>1948 July 1</td>
<td>4 pct.</td>
<td>Jan. 1, July 1</td>
<td>$142,412.00</td>
<td>$2,456,000.00</td>
</tr>
<tr>
<td>Series B, Coupon</td>
<td>July 1</td>
<td>4 pct.</td>
<td>Jan. 1, July 1</td>
<td></td>
<td>1,101,000.00</td>
</tr>
<tr>
<td>Consolidated Mortgage Sinking Fund Gold Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A, Coupon and Registered</td>
<td>1954 Jan. 1</td>
<td>4 ½ pct.</td>
<td>Jan. 1, July 1</td>
<td>887,367.30</td>
<td>13,801,000.00</td>
</tr>
<tr>
<td>Series C, Coupon and Registered</td>
<td>Jan. 1</td>
<td>4 ½ pct.</td>
<td>Jan. 1, July 1</td>
<td></td>
<td>5,894,000.00</td>
</tr>
<tr>
<td>Total interest accrued during year</td>
<td></td>
<td></td>
<td></td>
<td>$1,029,779.30</td>
<td></td>
</tr>
<tr>
<td>Total funded debt outstanding in the hands of the public, December 31, 1933</td>
<td></td>
<td></td>
<td></td>
<td>$23,252,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Amount of Company's securities in treasury:

Consolidated Mortgage Sinking Fund Gold Bonds:

<table>
<thead>
<tr>
<th>Series</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td>$2,325,000.00</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td>3,390,000.00</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td>8,583,000.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>14,298,000.00</td>
</tr>
</tbody>
</table>

Total funded debt, per general balance sheet, page 17 | $37,550,000.00
<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000</td>
<td>Capital stock Allentown Iron Company, par value per share $41.60.</td>
</tr>
<tr>
<td>4,500</td>
<td>Capital stock Allentown Terminal Railroad Company, par value per share $50.</td>
</tr>
<tr>
<td>200</td>
<td>Capital stock Blue Ridge Real Estate Company (10 pct. paid), par value per share $50.</td>
</tr>
<tr>
<td>32,061</td>
<td>Capital stock Delaware Division Canal Company of Pennsylvania, par value per share $50.</td>
</tr>
<tr>
<td>2,000</td>
<td>Capital stock Glen Alden Coal Company, no par value.</td>
</tr>
<tr>
<td>25,000</td>
<td>Capital stock Greenwood Corporation, no par value.</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Capital stock Lehigh Navigation Coal Company, no par value.</td>
</tr>
<tr>
<td>9,364</td>
<td>Capital stock Lehigh &amp; Hudson River Railway Company, par value per share $100.</td>
</tr>
<tr>
<td>135,965</td>
<td>Capital stock Lehigh &amp; New England Railroad Company, par value per share $50.</td>
</tr>
<tr>
<td>500</td>
<td>Capital stock Lehigh &amp; Wilkes-Barre Coal Company of New Jersey, no par value.</td>
</tr>
<tr>
<td>100</td>
<td>Capital stock Monroe Water Supply Company (10 pct. paid), par value per share $50.</td>
</tr>
<tr>
<td>700,000</td>
<td>Capital stock National Power &amp; Light Company common, no par value.</td>
</tr>
<tr>
<td>28,372</td>
<td>Capital stock Nesquehoning Valley Railroad Company, par value per share $50.</td>
</tr>
<tr>
<td>7,000</td>
<td>Capital stock Panther Valley Water Company, par value per share $100.</td>
</tr>
<tr>
<td>500</td>
<td>Capital stock Schuylkill Water Company (10 pct. paid), par value per share $100.</td>
</tr>
<tr>
<td>2,475</td>
<td>Capital stock Summit Hill Water Company, par value per share $10.</td>
</tr>
<tr>
<td>2,600</td>
<td>Capital stock Tresckow Railroad Company, par value per share $50.</td>
</tr>
<tr>
<td>10,000</td>
<td>Capital stock Wilkes-Barre &amp; Scranton Railway Company, par value per share $50.</td>
</tr>
</tbody>
</table>

$423,000 Par value Panther Valley Water Company General Mortgage Sinking Fund 6 pct. Gold Bonds, due 1943.

Mortgages and miscellaneous securities.

Book value of the above, $42,641,019.77.