The Company had in service in 1881, 81 locomotives, of light weight and small capacity, and was providedwath engine houses at

Norfolk for 9 engines.
Petersburg " 10 "
Lynchburg " 12 "
Radford " 25 " 22
Bristol " none

No additional engine houses have been built except at Roanoke, where there are now stalls for 20 engines, of which ll are rented to the Shenandoah Valley Railroad Company.

At the close of the present year the Company will have in service about 150 engines of greatly increased size and capacity, and the engine houses now belonging to the Company are so small that in most instances bt is necessary to remove the tenders before the engines can go into the horses; and at no point have the Engine Houses a sufficient number of stalls. The Engine Houses at Petersburg and Lynchburg were erected some 35 years since and are at present in such a condition as to require large expenditures for repairs. In consideration of the fact that these are unsuitable and improperly located, it is desirable that instead of repairing them, new houses of proper size and construction be built at more suitable localities.

The motive power of the Company is now of the most approved pattern and it is of the utmost importance that it be properly taken care of and this can only be accomplished by providing for it, when not in service, suitable protection from the weather.

The increase in the Company's mileage has been almost exclusively upon the Western Division; - at the close of the year 1887 the mileage in charge of the Superintendent of the Eastern Division will be about 220 miles, wheras the Superintendent of the Western Division will have charge of 356 miles.

The proper conduct of the business requires that the Division