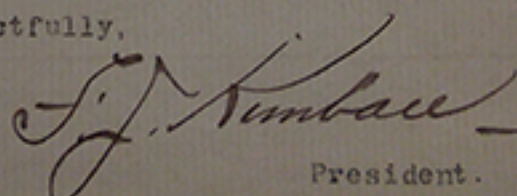


\$1,000,000, and as a consequence the gross earnings of the Company will have increased very hearily if not quite \$1,000,000, of which \$400,000 will be clear profit. It is believed that ^{increase in} the earnings of the Company ^{are} now solely dependent upon the quantity of equipment provided, and that the matter should now be carefully considered so that arrangements may be made for the equipment to be provided for the business of the coming year, and to this end I beg to make the following suggestions:-

The most serious obstacle in the way of rapid construction of equipment is the getting together of the materials and supplies needed in its construction. To meet this difficulty it is advisable that there be constantly kept on hand everything required for the construction of 100 box cars, 100 coal and coke cars and two engines the aggregate value of this material being estimated at \$75,000 and that upon the completion of the remaining \$250,000 Clinch Valley Equipment, arrangements be made with the Roanoke Machine Works for the construction of 2 engines per month and 5 freight cars per day of the class for which at the moment there may be the most pressing necessity, the number of cars to be increased or decreased or work entirely suspended as the business of the Company may justify.

If the recommendations herein made meet with your approval it is suggested that resolutions be adopted to that effect, and that the same be submitted with this report to the Board of Directors at their next meeting Wednesday November 30th in order that early action may be taken and the work undertaken without delay so that it may be completed as early next spring as possible

Very respectfully,


President.

Philadelphia, November 16th 1887.