

SEVENTH ANNUAL REPORT

OF THE

St. Paul, Minneapolis & Manitoba

Railway Company.

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FISCAL YEAR ENDING  
JUNE 30th, 1886.

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ST. PAUL, MINN.:  
THE PIONEER PRESS COMPANY.  
1886.

# ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY CO.

DIRECTORS, JUNE 30, 1886.

JAMES J. HILL, . . . . . ST. PAUL.  
SIR GEORGE STEPHEN, Bart., . . . . . MONTREAL  
SIR DONALD A. SMITH, . . . . . MONTREAL.  
JOHN S. KENNEDY, . . . . . NEW YORK.  
SAMUEL THORNE, . . . . . NEW YORK.  
D. WILLIS JAMES, . . . . . NEW YORK.  
HENRY D. MINOT, . . . . . ST. PAUL.

## EXECUTIVE COMMITTEE.

JAMES J. HILL, . . . . . D. WILLIS JAMES,  
JOHN S. KENNEDY, . . . . . SAMUEL THORNE,  
HENRY D. MINOT.

## OFFICERS.

JAMES J. HILL, . . . . . PRESIDENT, . . . . . ST. PAUL.  
JOHN S. KENNEDY, . . . . . VICE PRESIDENT, . . . . . NEW YORK.  
HENRY D. MINOT, . . . . . SECOND VICE PRESIDENT, ST. PAUL.  
EDWARD SAWYER, . . . . . SECRETARY AND TREASURER, ST. PAUL.  
ALLEN MANVEL, . . . . . GENERAL MANAGER, . . . . . ST. PAUL.  
W. S. ALEXANDER, . . . . . GENERAL TRAFFIC MANAGER, ST. PAUL.  
N. D. MILLER, . . . . . CHIEF ENGINEER, . . . . . ST. PAUL.  
A. H. BODE, . . . . . COMPTROLLER, . . . . . ST. PAUL.  
S. S. BREED, . . . . . AUDITOR, . . . . . ST. PAUL.  
A. L. MOHLER, . . . . . LAND COMMISSIONER, . . . . . ST. PAUL.  
EDWARD T. NICHOLS, JR., ASSISTANT SECRETARY AND  
TRANSFER AGENT . . . . . NEW YORK.

SEVENTH ANNUAL REPORT  
OF THE  
ST. PAUL, MINNEAPOLIS & MANITOBA  
RAILWAY COMPANY.

The President and Directors respectfully submit the following report for the year ending June 30, 1886.

GROSS EARNINGS.

Per Cent.	1886.		1885.	Per Cent.
20.124	\$1,473,412.30	..... Passenger .....	\$1,395,797.32	17.949
76.311	5,587,284.43	..... Freight.....	6,013,050.12	77.327
1.084	79,354.19	..... Express.....	80,935.81	1.041
1.711	125,262.46	..... Mails.....	140,542.63	1.807
0.770	56,422.83	..... Miscellaneous .....	145,838.30	1.876
	<b>\$7,321,736.21</b>		<b>\$7,776,164.18</b>	

## OPERATING EXPENSES.

Per Cent.	1886.		1885.	Per Cent.
16.889	\$617,879.67	Conducting Transportation.	\$692,998.83	20:860
26.187	958,053.09	..... Motive Power.....	1,107,202.39	33.443
40.336	1,476,709.21	.... { Maintenance Road } .... { and Structures. } ....	956,659.72	28.852
9.402	343,982.81	..... Maintenance of Cars.....	342,487.91	10.320
7.156	261,778.77	..... General Expenses.....	216,369.88	6.525
	3,658,403.55		\$3,315,718.73	

## SUMMARY OF EARNINGS AND EXPENSES.

1886.		1885.
\$7,321,736.21	.....Gross Earnings.....	\$7,776,164.18
3,658,403.55	.....Operating Expenses.....	3,315,718.73
3,663,332.66	.....Net Earnings.....	4,460,445.45
180,248.40	..... Taxes .....	194,208.87
3,483,084.26	.....Net Income.....	4,266,236.58
49.82	Operating Expenses per cent of Gross .....Earnings .....	42.63
52.43	Operating Expenses and Taxes per cent .....of Gross Earnings.....	45.13
\$4,978.43	.....Gross Earnings per mile of Road ... ..	\$5,329.79
2,487.54	...Operating Expenses per mile of Road...	2,272.59
2,490.89	.....Net Earnings per mile of Road.....	3,057.20

Total miles of road operated June 30, 1885.....	1,470.69
Total miles of road operated June 30, 1886.....	1,509.45
	<hr/>
Increase .....	38.76
Average number of miles operated twelve months...	1,470.69

The following is a statement of the equipment owned by the Company June 30, 1886:

Locomotives .....	201
Sleeping Cars.....	19
Passenger Coaches .....	84
Passenger and Baggage Cars.....	13
Baggage, Mail, and Express Cars.....	44
Business and Pay Cars.....	3
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Total Passenger Equipment.....	163
Box Cars.....	3,403
Flat and Coal Cars.....	1,300
Stock Cars.....	50
Caboose and Boarding Cars.....	110
Derrick and Tool Cars.....	9
Steam Shovels.....	2
Dump Cars.....	34
Pile Drivers .....	1
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Total Freight Equipment.....	4,909

Average number owned for twelve months ending June 30, 1886:

Locomotives .....	201
Passenger Equipment.....	163
Freight Equipment.....	4,909

## MILES OF ROAD OPERATED JUNE 30, 1886.

St. Paul to Barnesville.....	217.41
State Fair Grounds Spur.....	.64
Hamline to Minnesota Transfer.....	2.60
Minneapolis Junction to East Minneapolis.....	.70
Osseo Junction to St. Cloud, including North "Y".....	63.07
East St. Cloud to Sauk Rapids.....	2.14
St. Cloud to Hinckley.....	66.43
St. Cloud to Richmond (completed May 12).....	20.00
Sauk Centre to Eagle Bend.....	36.44
East Minneapolis to Breckenridge.....	204.35
Breckenridge to Larimore Junction, via Portland.....	132.00
Everest to Portland Junction, via Mayville.....	50.44
Ripon to Hope.....	29.50
Morris to Browns Valley.....	46.68
Minnetonka, North Shore.....	5.93
Barnesville to St. Vincent, Junction Switch.....	170.95
St. Vincent, New Depot to Boundary Line.....	2.62
St. Vincent, Old Depot to end of Track.....	2.12
Breckenridge Junction to Grand Forks Junction.....	126.63
Grand Forks to Boundary.....	80.94
Crookston Junction to Devils Lake.....	113.40
Fergus Falls to Pelican Rapids.....	21.65
Shirley to St. Hilaire.....	21.55
Moorhead Junction to Halstead.....	34.09
Carlisle Junction to Elizabeth.....	3.52
Park River Junction to Park River.....	34.78
Devils Lake to Church's Ferry*.....	18.87
<b>Total Miles of Road operated †.....</b>	<b>1,509.45</b>
<b>Total Miles of Second Track.....</b>	<b>28.44</b>
<b>Grand Total Miles of Main Track †.....</b>	<b>1,537.89</b>
<b>Miles in Minnesota.....</b>	<b>998.32</b>
<b>Miles in Dakota.....</b>	<b>511.13</b>

\* Not formally opened for business until July 1, 1886.

† Including 38.87 miles ready for operation by June 30th, but not then in full use.

## TRACK STATEMENT.

	MILES.			
	Main Line.	Second Track.	Sidings.	Total.
Fergus Falls Division.....	433.46	13.78	84.40	531.54
Breckenridge Division.....	469.60	14.66	64.99	549.25
Northern Division.....	606.39		70.10	676.59
<b>Total.....</b>	<b>1,509.45</b>	<b>28.44</b>	<b>219.49</b>	<b>1,757.38</b>

Main and Second Track laid with Steel .....	1,088.20
Main Track laid with Iron.....	449.69
Track relaid with Steel during the year ending June 30, 1886.....	63.18

The new lines built during the year are:

From St. Cloud Junction to two miles

west of Richmond..... 20.00 miles. Completed May 12th.

From Devils Lake to Church's Ferry 18.87 miles. Completed June 30th.

Total miles..... 38.87

All laid with new steel.

The following lines are now being graded, and on most of them track will be laid this autumn:

From Elk River to Milaca ..... 32 miles.

From Richmond to Willmar ..... 38 miles.

From Benson southwesterly.....

From Campbell westerly.....

From Crookston southeasterly.....

From Devils Lake toward the Missouri River.....

Cando Branch ..... 16 miles.

Bottineau Branch ..... 38 miles.

The Cando Branch leaves the Missouri River Extension at Church's Ferry, 19 miles west of Devils Lake, and the Bottineau Branch leaves from Rugby Junction, 57 miles west of Devils Lake. The line to Rugby Junction has been opened Aug. 15, 1886.

In addition to the construction of these new lines, an unusual amount of work has been done this season in the way of renewals, improvements and betterments. There have been 63.18 miles of track relaid with steel, against 11.17 last year, as follows:

From Dwight to Casselton.....	45.67 miles.
From Grand Forks Junction to Arvilla.....	16.82 miles.
At Devils Lake.....	.69 miles.
Total.....	63.18 miles.

Seventeen and sixty-hundredths miles of sidings have been added. For these sidings, and for renewals, there have been used 229,291 ties, as against 156,697 the year before. Much ballasting has been done, and the costly labor of reducing grades is steadily progressing, in the hope that the Company's lines will, by the end of next summer, be all reduced to practically a maximum of six-tenths of one per cent grades, or 31 7-10 feet to the mile, and put in condition for the economical movement of a heavy tonnage. A quarter part of your continuous mileage already has maximum grades of 12 and 16 feet. On the Breckenridge Division, between

Wayzata and Willmar, the grades are now being cut down from the present maximum of 83 2-10 feet per mile, and the alignment is also being bettered, at the expense of constructing several new miles of road. In this one piece of work, as estimated, there will need to be moved 900,000 cubic yards of earth. These items explain the considerable increase of operating expenses, to which they have all been charged. This Company, moreover, is contributing largely to the cost of carrying several important highways across its tracks by permanent overhead bridges, thus lessening the risks of railroad operation.

New station buildings have been erected at Milaca, Cold Springs, Delano, Walcott, Erie, St. Michaels, Georgetown, Hendrum, Halstead, Northcote, and Conway, also a freight depot and track scales at St. Cloud. A new engine house of one stall has been built at Pelican Rapids, and additions made at Barnesville of fourteen stalls, and at St. Cloud of five. A coal shed has been put up at Everest, and section houses at Crary and Melrose. New tanks have been erected at Elk River, Cold Springs, Delano, Fergus, Casselton, and St. Francis. Various other buildings are now under construction.

No new equipment has been purchased during the past year. The rolling stock is all in good order,

particularly the motive power. Five hundred new box cars have been contracted for delivery this summer, in time for the autumn movement of grain.

There has been a remarkable exemption from serious accidents; and no labor troubles have interrupted the efficient conduct of the Company's business. Last winter, like its predecessor, was favorable to the operation of your lines, and it did not become necessary at any time to use a snow plow. The present summer has brought upon the West one of the severest droughts ever recorded here; but nevertheless the crops along your lines, in spite of local damage, have proved of good yield and excellent quality. Harvesting is at this time (the middle of August) far advanced, and the usual grain traffic of your Company seems well assured.

A convention was recently held at Crookston to devise a plan for the systematic drainage of such parts of the Red River Valley as lie too low for ordinary surface drainage in wet seasons. Your Company will share the expense of preliminary work, and the future benefit of this improvement. The Company's lands show an increasing value, and are in better demand than a year ago.

There has been great activity in the railroad development of the Northwest. The Canadian Pacific

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Railway has been completed, and on June 27, 1886, was put in operation to the Pacific Coast. It is a reasonable expectation that your Company, affording the only connection from St. Paul, will, within another year, derive benefit from the exchange of traffic via Winnipeg. St. Paul and Minneapolis are rapidly becoming a railroad centre of the first importance; and the value of your terminal property therein, which is exceptionally good, is constantly increasing. The year 1886 witnesses the completion and operation of three new trunk lines between Chicago and St. Paul. The increased competition thus introduced cannot but benefit the whole Northwest, by improving and cheapening its communication with the central and eastern parts of the country.

The rapid settlement and development of the regions beyond your present lines, call for such immediate extensions of your system as will give the people adequate railroad facilities. Several of these extensions are already in progress, as previously shown. The importance of the head of Lake Superior as an outlet for the products of the Northwest, has induced your Company to contract for the building at West Superior, on its grounds there, of an elevator, designed for a capacity of 1,800,000 bushels, and to be completed by October 1st. A dock and slip in connection with it, will give ample facilities for the Company's traffic at that point.

As our Annual Reports show, your Board has steadily followed the policy of reducing the Company's rates from time to time, so far as the traffic would warrant, without impairment of the property or injustice to the stockholders. Your Board accordingly this year has further lowered the Company's rates on grain, live stock, lumber and coal, and has recently published new tariffs thereon, which extend to all points on your lines, making a reduction of from ten to fifteen per cent, and which compare most favorably with any other railroad tariffs west of the Mississippi River. These rates will be of immediate advantage to the people along your road, especially to new settlers, and are believed to be for the best interests of the stockholders as well. They have received the approval of the Board of Railroad Commissioners of Minnesota, who, in an official document, say:

"It will be seen by a comparison of the new rates with the old, that a very large reduction has been made. In fact, this Board, in its investigations, has found no instance where so large a concession has been made, covering so great a volume of traffic, anywhere, at any time, by any other Company to its patrons."

The Commissioners originally urged a yet larger reduction, on account of the surplus earnings hitherto;

but after a thorough investigation, and in view of the financial exhibit of the past year, became satisfied that the rates proposed by the Company were reasonable.

The Company's average rate per ton-mile again shows a reduction, being for the past year, 1.49 cents. The passenger fares have also been reduced, by the establishment of new round-trip rates, at 1 3-4 the single fare, instead of 1 7-8 as before. This change took effect in June.

Your Board, believing it wise to enlarge the official organization, created, in December last, the office of Second Vice President, and have revised accordingly the By-laws, which are appended to this Report.

Respectfully submitted,

JAMES J. HILL, *President.*

## LAND DEPARTMENT.

Total acreage of Land Grant.....		3,848,000
Total acreage certified to June 30, 1886.....	2,803,376	
Total acreage sold to June 30, 1886.....	1,670,795	
Less contracts canceled.....	112,223	1,558,572
Remaining unsold June 30, 1886.....		2,289,428
Minneapolis and St. Cloud Railroad Grant.....	475,664	
Acreage sold to June 30, 1886.....	37,868	437,796
Total grant remaining unsold June 30, 1886.....		2,727,224

During the year ending June 30, 1886, 68,560 acres of land were sold for \$363,467.21, an average price of \$5.30 per acre. There were also sold 224 town lots for \$12,865.30, an average price per lot of \$57.43.

CASH RECEIPTS OF LAND DEPARTMENT FOR YEAR ENDING  
JUNE 30, 1886.

Cash sales and principal on new contracts.....	\$77,403.50
Amount of principal received on old contracts.....	330,329.14
Amount received for trespass, stumpage, etc.....	949.62
Amount received for interest on old and new contracts.....	81,938.24
Amount received for principal and interest on town lot contracts..	14,150.19
Amount received for interest on sinking fund.....	581.64
	<u>\$505,352.33</u>
Less expenses of Land Department.....	155,238.19
Net Receipts.....	<u>\$350,114.14</u>

Amount of deferred payments due the Company on  
land contracts bearing interest at 7 per cent.....\$497,740.33

Amount of deferred payments due the Company  
on town lots bearing interest at 7 per cent..... 13,381.03 \$511,121.36

The total number of sales during the year was 880, an average of about 78 acres to a purchaser.

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Reports from the Government Land Offices at Crookston, Minn., and Grand Forks and Devils Lake, Dakota, show an aggregate of 5,227 pre-emption, homestead and timber culture entries made in those districts during the past year, representing an area of 795,888 acres.

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By the completion of the branch line extending from St. Cloud to Richmond, this Company has acquired the right to select 50,000 acres of swamp lands, making its total swamp land grant, through proprietary Companies, 475,664 acres.

A. L. MOHLER,

*Land Commissioner.*

REVENUE

To Operating Expenses.....		\$3,658,403.55
“ State Tax.....		180,248.40
“ Interest Paid and Accrued.....		1,999,820.00
“ Dividend 1 ½ per cent, Aug. 1, 1885 .....	\$300,000.00	
“ Dividend 1 ½ per cent, Nov. 2, 1885 .....	300,000.00	
“ Dividend 1 ½ per cent, Feb. 1, 1886 .....	300,000.00	
“ Dividend 1 ½ per cent, May 1, 1886.....	300,000.00	
		<u>1,200,000.00</u>
“ <i>Income Account</i> .....		283,264.26
		<u>\$7,321,736.21</u>

INCOME

To Transferred to Sinking Fund from Land Department....	\$350,114.14
“ <i>Balance</i> to Income Account .....	454,380.34
	<u>\$804,494.48</u>

To Railway, Equipment and Lands.....		\$54,880,398.35
Union Depot Stock.....	\$70,000.00	
Minnesota Transfer Stock.....	72,788.84	
Minneapolis Union Railway Stock.....	750,000.00	
		<u>892,788.74</u>
Other Properties and Securities.....		2,450,008.59

GENERAL ASSETS.

St. Paul, Minneapolis & Manitoba Ry. Stock...	5,600.00	
Due from Agents.....	28,252.25	
Due from United States Postal Department.....	37,571.83	
Advanced Charges on Freight .....	6,345.73	
Camp Supplies.....	1,858.12	
General Supplies .....	4,991.07	
Material Machinery Department.....	101,734.47	
Material Road Department.....	104,895.74	
Stock of Fuel ( <i>Coal</i> ).....	50,967.80	
Stock of Fuel ( <i>Wood</i> ).....	12,853.69	
Due from other Companies and Individuals.....	131,883.40	
<i>Bonds held for Reserve Fund</i> —		
Todd County.....	\$30,400.00	
Consol M'tgage, this Company	901,000.00	
	<u>931,400.00</u>	
Cash in hands Trustees, First Mortgage Bonds.....	21,990.57	
Cash on hand.....	610,374.09	
	<u>2,050,718.76</u>	
		<u>\$60,273,914.44</u>
<i>Less Land Grant Bonds Redeemed</i> .....		2,750,000.00

\$57,523,914.44

ACCOUNT.

By Earnings..... \$7,321,736.21

\$7,321,736.21

ACCOUNT.

By Balance..... \$283,264.26

" Land Department..... 350,114.14

" Revenue from other sources..... 171,116.08

\$804,494.48

By Capital Stock..... \$20,000,000.00

FUNDED DEBT.

First Mortgage Bonds..... \$8,000,000.00

Less Land Grant Bonds Re-  
deemed..... 2,750,000.00

Balance..... \$5,250,000.00

Second Mortgage Bonds..... 8,000,000.00

St. Paul & Pacific Bonds..... 366,000.00

Dakota Extension Bonds..... 5,676,000.00

Consol Mortgage Bonds..... 13,044,000.00

32,336,000.00

\$52,336,000.00

Sinking Fund applicable to Redemption of

First Mortgage Land Grant Bonds..... 3,300,332.23

Less Land Grant Bonds Re-  
deemed..... \$2,750,000.00

Premium on Land Grant Bonds 137,500.00

2,887,500.00

412,832.23

10,808.60

Sinking Fund Consol Mortgage Bonds.....

State Tax not yet due..... 72,974.49

Accrued Interest on Bonds, not yet due and  
payable..... 176,760.00

249,734.49

Audited Bills and Vouchers Unpaid..... 814,774.85

Unpaid Pay Rolls..... 247,152.04

Unpaid Coupons due July 1, 1886, and prior

Unpaid Dividends..... 892.50

Due other Companies and Individuals..... 41,175.57

1,707,580.96

Fund for Improvement and Renewals..... 611,765.24

Fund for Renewal of Freight Cars..... 77,895.00

689,660.24

Balance to Profit and Loss, June 30, 1885.... 1,662,917.58

" to Profit and Loss, June 30, 1886.... 454,380.34

2,117,297.92

\$57,523,914.44

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## STATEMENT OF BONDS

EXCHANGED AND REDEEMED DURING THE YEAR ENDING  
JUNE 30, 1886.

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Under the Consolidated Mortgage there were exchanged fifty-four coupon bonds for registered non-negotiable bonds for the same amount, fifty-four thousand dollars (\$54,000), par value. The total exchanges to date have been three hundred and ninety-six thousand dollars (\$396,000).

In pursuance of the provisions of this Company's First Mortgage Indenture, one hundred thousand dollars (\$100,000) of Land Grant Bonds were drawn and redeemed January 1, 1886, as follows:

THE ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY CO.'S  
FIRST MORTGAGE SINKING FUND 7 PER CENT LAND  
GRANT GOLD BONDS.

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In conformity with the provisions of the Mortgage Deed of Trust securing the above Bonds, we the undersigned Trustees, hereby give notice that 30 Bonds of \$100 each, 6 Bonds of \$500 each, and 94 Bonds of \$1,000 each, of the numbers specified below, were this day in our presence, fairly and without preference or discrimination, designated by lot for redemption at 105 per cent and accrued interest, payable out of the moneys pledged to us from proceeds of sales of lands, and now available for that purpose. The Bonds so drawn will be paid on presentation at the office of JOHN S. KENNEDY, No. 63 William Street, New York; and the holders thereof are hereby notified that they should be presented on or before first day of January next, as from that date interest will cease to accrue thereon:

**30 BONDS OF \$100 EACH.**

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
87	492	704	941	1567	1859
247	513	716	1088	1568	1884
353	565	830	1166	1686	1903
410	592	888	1242	1714	1927
471	698	926	1428	1723	2194

**6 BONDS OF \$500 EACH.**

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
169	229	244
201	243	291

**94 BONDS OF \$1,000 EACH.**

<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>	<i>Numbers.</i>
71	1505	2563	4290	5440	6144
93	1602	2889	4351	5461	6207
300	1655	2897	4432	5474	6264
303	1774	2922	4480	5482	6283
392	1937	3046	4568	5517	6434
677	2055	3086	4570	5547	6534
709	2071	3093	4634	5595	6638
950	2091	3135	4711	5703	6738
975	2190	3265	4751	5797	6929
094	2242	3275	4785	5801	6968
113	2252	3406	4865	5900	7001
1143	2391	3467	4996	5937	7039
1167	2492	3577	5045	5997	7193
1367	2503	3627	5057	6048	7313
1374	2536	3889	5177	6112	7332
.....	.....	4072	5309	6143	7420

JOHN S. KENNEDY, }  
J. A. ROOSEVELT, } *Trustees.*

NEW YORK, October 12, 1885.

BY - LAWS  
 OF THE  
 ST. PAUL, MINNEAPOLIS & MANITOBA  
 RAILWAY COMPANY  
 OF MINNESOTA,

AS REVISED AND ADOPTED BY

The Board of Directors, April, 1886.

ARTICLE I.

OFFICERS AND DIRECTORS.

SECTION 1. The officers of the Company shall consist of a President, a Vice President, a Second Vice President, a Secretary and a Treasurer. The same person may fill the office of Secretary and Treasurer; and the Board of Directors may in their discretion appoint an Assistant Secretary, or an Assistant Treasurer, or both.

SEC. 2. The Board of Directors shall consist of seven persons, who shall be elected by the stockholders at the annual meeting of the Company, and who shall themselves be stockholders. The directors at the first meeting after the annual election, shall elect by ballot, and from their own number, the President and Vice President and Second Vice President for the ensuing year, and shall appoint a Secretary and a Treasurer, who shall hold their respective offices until their successors shall have been duly elected and qualified. Or, at the discretion of said directors, they may appoint as Second Vice President some stockholder who is not a member of the Board.

They shall also designate five of their own number, of whom the President or the Vice President shall be one, to constitute an Executive Committee; and may at any meeting of the Board appoint a Second Vice President as above provided, also a General Manager, and such Engineers, Superintendents or Agents as they may deem necessary.

Any Second Vice President (if not a director), and any General Manager, Engineer, Superintendent or Agent, so appointed, shall be removable at the pleasure of the Board; and any vacancies occurring among the officers, or in the Board, from death, resignation, or other cause, may be filled by the Board at any meeting thereof.

SEC. 3. All the affairs of the Company shall be managed by the Board of Directors, who shall approve and ratify all tariffs of the Company, in accordance with the Charter. A majority of the members thereof shall constitute a quorum for the transaction of business; but any smaller number shall be competent to adjourn *sine die*, or from day to day.

## ARTICLE II.

### MEETINGS.

SECTION I. The annual meeting of the stockholders shall be held at the general office of the Company in Saint Paul, Minnesota, on the third Thursday of August in each year, upon notice thereof, given by the Secretary, stating the time and place of such meeting, printed in some newspaper published in said Saint Paul, for ten days prior to the date of such meeting. The election of directors shall be proceeded with on said day, or such other day as such annual meeting shall or may adjourn to. The polls shall be open on the day of election from twelve o'clock M. to three o'clock P. M., unless meanwhile thirty minutes shall have elapsed without any vote being cast, whereupon the polls shall be closed. At or before the opening of the polls, the President or the Chairman at the meeting shall designate one or more persons to act, who shall act as tellers to receive and count the votes; and those stockholders equal to the number to be elected, having the greatest number of votes, shall be deemed and declared duly elected; provided, that in the election of directors and at all other elections or meetings of the Company a majority of votes shall govern.

At such election, and in all cases in which stockholders shall vote, the votes shall be delivered in person or by proxy duly authorized, and each share of full paid stock shall entitle the holder thereof to one vote.

SEC. 2. Special meetings of the stockholders shall be held at the general office of the Company in Saint Paul, and may be called by order of the Board of Directors, or by stockholders holding one-fourth in amount of the capital stock of the Company, on like notice as that required for annual meetings, and upon written or printed notice to each and every stockholder, to be mailed to his last known address at least ten days before the date of such special meeting, specifying the object of the meeting; and no business shall be transacted at such special meetings except such as shall be particularly set forth in such notice, nor any vote taken unless a majority of all the stock of the Company shall be then and there represented either in person or by proxy.

SEC. 3. The first meeting of the newly elected Board shall be held at the general office of the Company in Saint Paul, immediately after the adjournment of the stockholders' meeting on the day of their election. Other meetings of the Board may be held upon call as hereinafter provided, at the office of the Company in Saint Paul or at the office of the Company in the City of New York, or at any other general office of the Company that may hereafter be duly established. Such meetings shall be called by the President or Vice President, or by the Second Vice President, if he shall be at the time a member of the Board, on the request of two directors in writing, and, without such request, may be called by the President whenever in his judgment a meeting of the directors shall be necessary or desirable. The notice to members of the meetings so called shall be such in each case as the President or the Vice President calling the same may direct or adopt, and shall be sufficient if approved by the Board when convened in pursuance thereof, with a quorum present for the transaction of business.

### ARTICLE III.

#### THE PRESIDENT AND THE VICE PRESIDENTS.

SECTION 1. The President shall when present preside at all meetings either of the Board of Directors or of the stockholders.

In the absence of the President, the Vice President shall discharge the duties of President; in case of the absence of both the President and the Vice President, the directors or stockholders as the case may be, may appoint a President *pro tempore*.

SEC. 2. The President shall have and exercise general supervision and control over the entire property, business and affairs of the Company. All the officers and agents of the corporation shall be responsible to him for the proper and faithful discharge of their several duties, and shall obey such orders and make such reports to him touching the business of the Company under their charge as he may from time to time direct; and any General Manager, Engineer, Superintendent, or Agent of the Company may be discharged by him, if in his judgment there be cause for such discharge, at any time when the Board of Directors shall not be in session. All contracts requiring the corporate seal, and all certificates of stock, shall be signed by him; and he shall have such other powers as are incident to the office, or may from time to time be prescribed or conferred by the Board.

In case of the disability or absence of the President, the powers and duties of his office shall devolve upon, and may be exercised by, first, the Vice President, and otherwise the Second Vice President, so far as he may be competent thereto.

#### ARTICLE IV.

##### THE SECRETARY.

The Secretary shall keep a record of all meetings of the stockholders and of the Board of Directors, and attest the same by his signature. He shall have charge of all books, papers and documents which properly belong to his office. He shall sign all certificates of stock, and have charge of the corporate seal, and so keep the books and accounts appertaining to his office as to show at all times the real condition of the corporate affairs. He shall keep proper stock transfer and register books, and generally perform such duties and make such reports as the Board may direct. In case of his absence or disability, the Assistant Secretary, if any, shall perform his duties.

## ARTICLE V.

## THE TREASURER.

The Treasurer shall safely keep an account for all moneys, funds or other property which may come into his hands, keeping full and true statements of all financial transactions of the Company in his books. He shall give bonds, under the direction of the Board, for the faithful performance of his duties. He shall keep his accounts, as Treasurer, in such banks or places of deposit as the President or the Board of Directors may direct, and generally shall render all such accounts and perform such duties as the Board may direct. In case of his absence or disability, the Assistant Treasurer, if any, shall perform his duties.

## ARTICLE VI.

## EXECUTIVE COMMITTEE.

The Executive Committee shall possess and may exercise, during the intervals between the meetings of the Board of Directors, all the powers and authority of the Board; but shall not have or exercise any authority or power whatever during or at the time of such meetings. Three members of the Committee shall constitute a quorum for the transaction of business; and without such quorum the Committee shall not do or attempt any business whatever. They shall record their proceedings in full in a book to be kept for that purpose; and the record of each proceedings shall be signed by all the members of the Committee participating therein. Such records shall be open at all times to the inspection of any member of the Board of Directors, they shall be subject to the control of the Board, and they shall be produced to the Board for its action thereon at any meeting thereof, upon the request of any director. Any member of the Board may be present at the meetings of the Executive Committee.

## ARTICLE VII.

## STOCK CERTIFICATES AND TRANSFERS.

All certificates for shares of the capital stock shall be signed by the President and the Secretary. They shall be numbered in pro-

gression, beginning with number one; and each certificate shall show upon its face the number of shares for which it is issued, and that the stock therein mentioned is transferable only on the books of the Company, and upon the surrender of such certificate.

Upon the issuance of each certificate, an entry thereof shall be made in a book called the "Register of Stockholders," stating the number of such certificate, the name of the stockholder, and the number of shares to which he is entitled. The transfer of any share or shares of stock may be made by a surrender of the certificate issued therefor, and a written assignment thereof signed by the owner or his duly authorized attorney in fact, upon a book to be called the "Register of Transfers." Upon such surrender and assignment, a new certificate or certificates will be issued to the assignee, as he may be entitled; but without such surrender and assignment no transfer of stock will be recognized by the Company.

The "Register of Transfer" will be closed at least *ten* days before each annual meeting of the Company, and at such other times, and for such other purposes, as may be ordered by the Board of Directors, or by the Executive Committee; and no assignee of shares shall be entitled to vote, as such assignee, at any meeting, unless such surrender and assignment shall have been made or tendered before the time specified for the closing of said "Register of Transfer."

## ARTICLE VIII.

### CHANGE OF BY-LAWS.

These By-laws, or any of them, may be added to, altered, amended, or repealed by the Board of Directors, at any meeting thereof; and any addition, alteration, amendment or repeal, so made, shall be valid and operative until the next annual meeting of the Company thereafter, and, if not disapproved at such annual meeting, shall be valid and effectual to all intents and purposes, as if adopted by the stockholders at such annual meeting, as well as by the Board. Provided, however, that no part of said By-laws shall in any way conflict with the provisions of the Company's Charter.