

At the last moment of writing comes forward a German scheme for the reorganisation of that huge derelict, the Northern Pacific Railroad. Briefly, it comes to this: the Great Northern Company, which is a new and big undertaking that absorbed the St. Paul Minneapolis and Manitoba, is to acquire the control of the Northern Pacific by the acquisition of half the Ordinary Stock of the reorganised Company, the compensation being a guarantee upon the latter's bonds. Northern Pacific 6-per-cent. Seconds are to be offered \$1,125 in 4-per-cent. Guaranteed Bonds for every \$1,000, yielding \$45 instead of \$60, or a reduction of 25 per cent. The 6-per-cent. Thirds are to be offered \$1,000 in 3-per-cent. Guaranteed Bonds, plus "not less" than \$250 in new shares. If the guarantee be sound, which we are inclined to believe, but desire further information on the subject, the terms are perhaps as good as could be expected.

President Hill, of the Great Northern Railroad, says that the Northern Pacific and his company will not be put under one management, and that the Northern Pacific will never be broken up. It is believed that Mr. Hill's chief interest in the matter is to stop the cutting of rates in the North-West.

—Republican party.

President Hill says: "You may put it down as an assured fact that the Great Northern and the Northern Pacific will never be consolidated under one management, nor will the Northern Pacific be broken up."

American Railroad stocks showed weakness from the outset. The drastic nature of the proposed Northern Pacific reorganisation scheme does not appear to have impressed Wall-street favourably, while the bears made the most of adverse crop reports and of the decision of the Supreme Court declaring the income-tax unconstitutional. Closing prices were almost at the bottom, the most important declines being marked in Northern Pacific Prefs. and Milwaukee. The improvement in climatic conditions noted as a

The Second Mortgagees of the Northern Pacific Railroad have rejected the proposed re-organisation, thus practically giving the road to its rival.

Northern Pacific stocks showed some weakness on the belief that the reorganisation of the road will necessitate drastic measures. It is asserted that the Canadian Pacific is not connected with the new deal which the Northern Pacific and the Great Northern have recently entered into. President Hill, of the Great Northern, expresses the belief that the Northern Pacific will never be consolidated with his Company under one management.

The Reorganisation of the Northern Pacific.

It is reported from New York that Messrs. J. P. Morgan and Co. will co-operate with the Deutsche Bank, Berlin, in supporting the reorganisation of the Northern Pacific Railroad. If this be the case, the scheme is likely to be carried through, although, as we expected, the Second and Third Mortgage bondholders are not at all disposed to be acquiescent. It is also stated that the President of the Canadian Pacific is endeavouring to make an agreement with President Hill, of the Great Northern, in order to bring about better rates, and to establish harmonious relations between the two companies. An amicable agreement would be very beneficial to both systems.