

*Copied from
May 19/28*

JIM HILL IN CONTROL.

German Holders of Northern Pacific Bonds with Him.

A NEW DEAL WANTED.

They Submit a Plan of Reorganization to the Directory.

FORECLOSE OLD COMPANY

New Debt Aggregating \$300,000,000 to Be Contracted.

This to Be Guaranteed by the Great Northern, and Used for Refunding Purposes.

Berlin, May 18.—For the past four days meetings of the United German Northern Pacific committees have been considering the

ENGLAND IS THINKING OF
USING THE EXTINGUISHER



proposals of Mr. Ed Adams, the representative of the Deutsch Bank of Berlin, for the reorganization of the Northern Pacific Railroad, and they have finally authorized him to carry out his plan, which the bondholders will be recommended to accept.

The first point of the Adams reorganization plan is the foreclosure of the old company and the formation of a new company under special arrangements for this purpose.

Secondly, the new company is to issue shares to the amount of \$100,000,000 and a maximum of \$200,000,000 gold bonds, free of taxation. A sufficient amount of these bonds is to be reserved in order to replace the present first-mortgage bonds later, and \$3,000,000 of bonds are to be reserved in order to acquire independent branch roads, and for new construction at a maximum charge of \$20,000 per mile. The new bonds will be secured by a mortgage lien on the whole Northern Pacific system, including the St. Paul and Northern Pacific Railway line, and will bear interest partly at 4 and partly at 3 per cent, all under the same mortgage.

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Thirdly, the capital and interests of the new bonds are to be guaranteed unconditionally by the Great Northern Company by indorsing each bond, the Great Northern Company receiving in return half the stock of the new company.

Fourthly, the board of directors of the new company is to consist of nine directors, four of whom are to be nominated by the Northern Pacific reorganization committee.

Fifthly, in accordance with this scheme there should be given for each \$1,000 Northern Pacific second mortgage bonds a \$1,125 new 4 per cent guaranteed bond; for each \$1,000 third mortgage bond, a \$1,000 new 3 per cent guaranteed bond and at least \$250 in shares; for each \$1,000 5 per cent consol, at least \$500 3 per cent new guaranteed bond and \$300 in shares.

Sixthly, that overdue coupons of the second mortgage be paid in cash at the rate of 5 per cent annually. Those of the third mortgage are to be paid in cash at the rate of 4 per cent, and those in consols are to be adjusted at the rate of $2\frac{1}{2}$ per cent in new 3 per cent bonds.

Seventhly, the floating debt of the receivership is to be paid by the assessment of about \$11,000,000 on the old stock.

Eighthly, the reorganization and the raising of the necessary working capital is to be secured by a syndicate headed by Messrs. J. Pierpont Morgan and the Deutsch Bank.

TEMPORARY RECEIVERS NAMED.

Case of Central Washington Branch of Northern Pacific.

Spokane, Wash., May 18.—Judge Hanford, of the United States Court, has appointed Leverett S. Miller, of St. Paul, and C. P. Chamberlain, of Spokane, receivers of the Central Washington branch of the Northern Pacific Road. The appointment is made on petition of a majority of the bondholders, who have become dissatisfied with the Northern Pacific control. The appointment of the receivers is temporary, a motion to make it permanent being made returnable Sept. 9. It is made discretionary with the trustees whether the present lease shall be continued or not. Three alternatives are before the bondholders—a lease to the Northern Pacific, a lease to the Great Northern, or operation as an independent line. The road is 100 miles long, and runs west from Spokane to Coulee City.