GOOD WESTERN CONDITIONS.

President Roswell Miller of the Chicago, Milwaukee and St. Paul Railroad, in answer to inquiries as to the current Western railway situation, said yesterday to a representative of THE NEW YORK TIMES:

"Business conditions in the West are excellent.

"The crop is very good. I think we have now the best crop we have ever had.

"Money is plenty and continues cheap. From these good conditions we look for increased earnings.

"Our movement of grain is slightly ahead of last year. It is my opinion that the movement will be slow from our section of the country. The farmers are in a position to hold their product for higher prices, and it is my belief that they will do so.

"The physical condition of the St. Paul Road is improving every year; each succeeding year finds it in a better condition than it was the year before.

"As to rates, to the Missouri River and beyond, they are badly demoralized.

"Local traffic is good—that is, virtually, traffic which is competitive between two or three lines. In such cases it seems possible to maintain rates.

"But where there are more than three lines involved it doesn't seem possible to maintain rates.

"I believe the outlook for railway and general business is very bright."

MUNICIPAL BONDS IN DEMAND.

Good prices and a good demand for municipal bonds are reported from all parts of the country, and in many instances the highest figures ever recorded are being reached. This improvement seems likely to go on in the municipal bond market as long as there is the scarcity of high-grade issues which now exists. Better sentiment regarding city bonds, particularly in the Western section of the country, is said to be due to the numerous evidences furnished to investors daily of the diffusion of sound-money views throughout the country. They find among the business element a greater readiness to interest themselves in political matters, repel attacks upon the currency, and give the benefit of their experience to their not so well informed neighbors. Much more significance seems to be attached by investors to the influence of this conservative factor than to the ignoring or defeating of repudiation platforms at recent Democratic conventions.

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The municipal bond situation was yesterday discussed by Mr. Arthur B. Leach of Farson, Leach & Co. of New York and Chicago, a firm largely interested in municipal bond transactions throughout the country. Mr. Leach's views on the subject are the result of close study of prevailing conditions. To a representative of THE NEW YORK TIMES Mr. Leach said:

"The principal feature of the municipal bond market is the continued scarcity of high-grade issues. The bond dealers are carrying smaller stocks to-day than at any time perhaps within a year. The higher prices for call or time money have made practically no difference in the market value of municipal bonds.

"Among the more recent sales which may be mentioned as indicative of the trend of the market are Yonkers 3½ per cent. bonds upon a 3¼ basis, Dayton (Ohio) 4s on a 3.39 basis, Great Falls (Mont.) 5s on the basis of 4.60. These prices are higher than similar bonds have ever sold.

"I find that the largest savings banks report constant increase in their deposits, and most of the money deposited is in small amounts. City notes and short revenue bonds are being placed by the Eastern municipalities at very much lower interest rates than either commercial paper or time money is being taken at the banks. Unless there should be a very marked increase in the issues of higher grade bonds we look for a continued advance in prices.

"Significant of the confidence which investors are showing, Eastern investors are now very freely purchasing securities of Western States, which but a few months ago they would not consider on account of the silver records of these States. This sentiment among Eastern holders of funds is becoming more and more general. Through New England the silver scare seems to have completely died away from the minds of investors.

"The reports of our traveling men who are constantly visiting the various Western points, making examinations of bond issues, are that the business community is very much more in evidence in political councils than ever before. I think that from now on we may look for very much more reasonable and sensible counsel on the money question to come from the various Western communities.

"Our Chicago house reports money relatively easier there than ever. The market for high-grade municipal bonds in Iowa, Illinois, Michigan, and Wisconsin is stronger than it is in the East. Local bonds from those sections are eagerly taken by home investors.

"During the recent tight money excitement there came to my knowledge a case in which a loan was offered in New York on Government bonds and the best rate obtainable was 4½ per cent. The Chicago banks offered to make it at 4¼. Finally the loan was taken in St. Paul at 4 per cent. Our reports show that the banking centres of the Central West have a larger surplus of money than they ever had before."

DRY GOODS TRADE CONFIDENCE.

The continuation of the hot season through September was an impediment to activity in the dry goods trade, and to some extent impeded the buying. Among the experienced men in the business, however, the feeling strengthens that the outlook for the coming months is particularly favorable. It is pointed out that stocks are considerably reduced and that there are no speculative holdings among the jobbers, while in October a healthy and profitable trade is always experienced. Speaking on the dry goods situation yesterday to a representative of THE NEW YORK TIMES, Mr. G. C. Clarke of the firm of Tefft, Weller & Co. said:

"The demand from every part of the country for dry goods continues good and there is no sign of a diminution of it. It promises in the last quarter of the year to exceed anything reached since the improvement began, some time ago. In September orders appeared in smaller volume than usual, being somewhat interrupted by the unseasonably hot weather, but activity is looked for from now on.

"Country merchants have been showing a general desire to get their stocks in better shape. Those who have been carrying too large stocks in the past have been conservative in their purchases lately and are looking strictly to what future needs require. This shows a good tendency. There is a notable lack of speculation in the dry goods jobbing business to-day.

"Another feature of some consequence to the trade is that many of our people who have been away on tours are getting back again to the country. The various large cities throughout the United States will receive the benefit of the large business of those who are about returning from abroad. In the near-by States greater activity is assured; in October there is always heavier business.

"Our customers throughout the country speak of the future with cheerfulness and hope. This feeling is shared by ourselves. We had already found many evidences of sounder business conditions, with more or less fluctuation, of course; but I am convinced that substantial improvement is going to be felt in the dry goods trade for a long period."

HOW BUSINESS IMPROVES.

The re-establishment of the American Typefounders' Company upon a dividend basis during the past week lends interest to observations made by that company's general manager, Mr. Robert W. Nelson, who has just returned from a business trip through the West. Mr. Nelson said yesterday to a representative of THE NEW YORK TIMES:

"Our company is one of the many organized just prior to the panic of 1893, when values were somewhat inflated and conditions quite different from the years immediately following, which conditions were aggravated by the discussions of National finances.

"At a meeting of our stockholders in 1895, it was decided to reduce the capitalization of the company to an amount corresponding to the value of its tangible property in excess of its liabilities, and the voluntary assent of the stockholders was obtained to reduce the capital stock (which formerly consisted of $4,000,000 preferred and $5,000,000 common) to $4,000,000 of common stock, without, however, a surrender of any of its assets.

"During the past three years the company has expended more than $400,000 from its net earnings in improvements to its plants, and that, with the concentration of its manufacturing, has reduced greatly the cost of its productions.

"The company was in condition last year to resume dividends, but the management felt the more conservative course was to strengthen its reserves so that when dividends should be commenced they could be maintained. The hard times of the last three or four years have led this company, like many other manufacturing concerns, to so reduce expenses that fair earnings can be made during even bad years, and the improvement in general business for which the outlook is now very favorable, together with the growth of the country, will lead to more liberal returns in the future."

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"During the last few weeks I have been visiting those branches of this company located in the middle West where the depression had been the greatest. The reports from these branches during the past year have been highly favorable; and on this visit I had an opportunity to test the sentiment of the people in the West as to the prospects for the coming year, which I found everywhere exceedingly favorable.

"Two years ago there was a large number of vacant stores and offices on the best streets in Chicago and other Western cities, and 'For Rent' signs were numerously displayed, but upon my recent visit I found very few such signs. Our business, which increases or decreases entirely as the country is prosperous or otherwise, has shown a remarkable gain during the past year in the Middle West; this gain has also extended to some extent throughout the East as well as to the Pacific Coast. The cause for this increase in business, due primarily to the big crops in the West and to high prices, is also due in part to the increased manufacturing and merchandising in almost every line of trade. The business men of the West, who two years ago were almost in despair, are now in a buoyant frame of mind, and are expecting an increase during the coming years of the prosperity which came to them so fortunately during the past year.

"Our business abroad is rapidly increasing, and I find this to be true of almost every line of manufacturing. I think business men everywhere are beginning to appreciate the great importance of the trade balance of over $600,000,000 during the past year in favor of this country; and with every indication that the present year will equal last year, I look forward to a generally prosperous conditions throughout the entire country. The ability of this country to produce, manufacture and market in foreign countries $600,000,000 in excess of its foreign purchases has awakened our people as well as those abroad to the great possibilities of American enterprises."

COLORADO AND SEABOARD.

Plan Adopted for the Reorganization of the Union Pacific, Denver and Gulf Railway.

Official announcement will be made during the coming week of the reorganization plan for the Union Pacific, Denver and Gulf Railway Company. This plan has been long in preparation. It will in some material ways differ from what has been forecast. From advance sheets, THE NEW YORK TIMES is able to present herewith a comprehensive résumé of what is proposed in the financial readjustment of the company's affairs.

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The railroad's name is to be changed from the Union Pacific, Denver and Gulf to the Colorado and Seaboard Railway.

It is proposed to undertake a reorganization of the affairs of the Union Pacific, Denver and Gulf on a basis of a 4 per cent. first mortgage, involving about $700,000 annual fixed charges for all outstanding bonds on completion of the organization and retirement of existing bonds, not including bonds reserved for the acquisition of coal properties, improvements, &c., with about $8,500,000 non-cumulative 4 per cent. first preferred stock, about $8,500,000 non-cumulative second preferred stock, about $31,000,000 common stock, and about $20,000,000 new 4 per cent. gold bonds, including a reservation of about $2,250,000 for the acquisition of coal properties and additional improvements.

The syndicate will take and pay for, and the committee will sell and deliver, the following new securities when issued, or certificates therefor entitling the holders to the new securities when issued—

$2,010,750 new 4 per cent. first mortgage bonds;

$2,551,499 new 4 per cent. non-cumulative first preferred stock, (trust certificates;)

$2,321,499 new 4 per cent. non-cumulative second preferred stock, (trust certificates;)

$30,429,982 new common stock, (trust certificates,)

—for the sum of $4,512,998 in cash, plus any interest accrued on the bonds when delivered.

Of the new securities, $760,750 new 4 per cent. first mortgage bonds, $1,521,499 new 4 per cent. first preferred stock, (trust certificates,) $1,521,499 new 4 per cent. second preferred stock, (trust certificates,) and $30,429,982 new common stock (trust certificates) will be offered for sale to depositing holders of the stock of the Union Pacific, Denver and Gulf, and of the Denver, Texas and Fort Worth Railroad, for the aggregate sum of $3,042,998.

The syndicate authorizes the committee, under the proposed plan and agreement of reorganization, to offer for sale, on account of the syndicate, upon the terms and in the manner provided in the reorganization plan and agreement, to depositing holders of stock of the Union Pacific, Denver and Gulf, and of the Denver, Texas and Fort Worth—

$760,750, par value, of the new 4 per cent. first mortgage bonds;

$1,521,499, par value, of the new first preferred stock, (trust certificates;)

$1,521,499, par value, of the new second preferred stock, (trust certificates,) and

$30,429,982, par value, of the new common stock, (trust certificates,)

—being part of the bonds and new preferred and common stock (trust certificates) agreed to be purchased by the syndicate. All money received from depositing holders of said stock, on purchases of such new securities, is to be credited on account of the amount payable by the syndicate under the first article hereof, and may be used by the committee for any purposes of the reorganization.

The committee is to pay to the syndicate managers, for the benefit of the several syndicate subscribers in proportion to their respective subscriptions, a commission or compensation of $390,000 in cash, and will pay, in addition, to the syndicate managers a commission or compensation of $80,000 for the services of the syndicate managers in the formation and management of the syndicate. Such payments are to be made at the time of the delivery of the new securities, or as soon thereafter as may be practicable, and are to be made in each case regardless of the amount that the syndicate shall be called upon to pay.

The syndicate managers require that all the new securities, and any interim certificates which may be issued therefor, (except such bonds and stock trust certificates as shall be purchased by depositing stockholders,) and all bonds and stock or certificates of deposit representative thereof, and all new securities or interim certificates therefor, which the syndicate managers under the powers conferred may purchase, be held subject to their control—i. e., "syndicate"—until Oct. 1, 1899, for the purposes of sale by them for the ratable benefit of the syndicate subscribers.

The agreement is based on aggregate syndicate subscriptions to the amount of $4,512,998. The respective syndicate subscribers, on signing the agreement, are to set opposite their names the amount of their respective subscriptions, and each subscriber is to be liable only for such ratable part of the maximum obligation of the syndicate as shall bear the same ratio to such maximum obligation as the amount of his subscription bears to $4,512,998.

The reorganization agreement is entered into between Messrs. Hallgarten & Co. and Messrs. J. Kennedy Tod & Co., as syndicate managers, and the following syndicate subscribers: Grenville M. Dodge, J. Kennedy Tod, Henry Budge, Oliver Ames, Harry Walters, Norman B. Ream, Henry Levis, and Uriah Herrmann.

The New York Times
Published: October 2, 1898