

268. What three classes of fixed charges are usually reduced in reorganization? What threat may be used to force an acceptance of a reasonable reduction? What principle is usually followed in determining the maximum total amount of fixed charges to be imposed upon the reorganized company?

269. How are bondholders usually compensated for the reduction in their yearly interest? What is the effect on the total capitalization of the company? What factors determine whether or not the reorganized company shall operate under the charter of the old company? Why is a voting trust frequently formed at the time of organization?

270. Summarize briefly from memory the principles of reorganization laid down in this chapter.

CHAPTER XXX

271. Sketch from memory the growth of the Santa Fe System. What were the effects on the company's financial strength of the rapid expansion in the years 1884-1888?

272. What were the main results of the reorganization of 1889? What were some of the events that led up to the failure of the company in 1893?

273. What was the substance of the so-called English plan of reorganization? Why was it not adopted? What were the main features of the plan that was finally adopted? What have been the results of this reorganization?

274. Sketch from memory the growth of the Rock Island System.

275. Outline the plan of reorganization brought for-