

TOPICS OF THE WEEK

NEW YORK, July 19, 1895.

A Montana subscriber to the INVESTOR writes me asking my opinion as to the effect the reorganization of the Northern Pacific, under Mr. Hill, will have on the great Northwest. While it is by no means certain that Mr. Hill will take a hand in the reorganization of the Northern Pacific, it is a well settled fact in Wall street that negotiations are still in progress looking to that end, despite the fact that Chairman Edward D. Adams, of the Northern Pacific reorganization committee, has discovered that the laws of Minnesota and other states to which the Northern Pacific and Great Northern are amenable, do not permit of the proposed guarantee of the bonds to be issued by the Northern Pacific, under the reorganization by the Great Northern. Counsel for the Great Northern, Mr. Clough, of St. Paul, is in New York, and has been for more than two weeks, and is known to be in frequent consultation with Northern Pacific attorneys, and to-day it is said instructions have been given the lawyers to report on the feasibility of uniting the two properties by means of a new corporation. It remains now to see whether the attorneys shall prove equal to devising a way to bring the two properties under one control without evasion of the letter or spirit of the Minnesota law which prohibits joint ownership in parallel or competing roads.

The effect of such a coalition would, in the opinion of excellent judges of the situation, prove beneficial to both properties, and to the entire Northwest. Here is a company

HOPELESSLY BEREFT OF CREDIT,

with more than \$30,000,000 outstanding securities. It must raise in some manner nearly \$34,000,000 in cash to extricate itself from its serious financial straits. Its credit must be restored, and it must be placed on a solid foundation. It now has neither capital nor credit. Great Northern has plenty of both, and while it is Northern Pacific's competitor, the Great Northern, guaranteeing Northern Pacific's bonds, would scarcely desire otherwise than to see the road prosper. It is a well-known fact that Northern Pacific has charged exorbitant rates; that it has been the disturbing factor in the transportation business of the Northwest, so that with both roads under one management, rates should be maintained with greater stability, and a large saving in operating expenses could be brought about.