

## STEEL MERGER TALK REVIVED

Last Time It Arose, J. H. Plummer Said It was  
"Visionary"

The publication in these columns of an official statement given exclusively to *The Monetary Times* by the United States Steel Corporation regarding its plans in Canada, has revived the discussion of a possible amalgamation of Canadian steel companies. The United States Steel Corporation has had a strong selling organization in this country for some years, and its proposed Canadian plant, construction upon which will commence in the near future at Ojibway, Ontario, will in due course give competition to the Canadian companies both in their domestic and export business. With these facts in view, and the reported purchase by United States interests, of large blocks of securities of the Nova Scotia Steel Company and the Dominion Steel Corporation, there has been a tendency in Montreal and Toronto this week to listen somewhat attentively to the rumors of amalgamation. In addition to those two companies, the Steel Company of Canada and the Lake Superior Corporation have been mentioned. In response to inquiries made in Hamilton, Mr. C. F. Wilcox, chairman of the executive of the Steel Company of Canada, said, "I have not heard anything about it." Mr. H. H. Champ, secretary-treasurer, and a director of the company, stated he had "nothing to say about it."

## Said it was Visionary.

Rumors of a big steel merger were last heard in December, 1914. At that time Mr. J. H. Plummer, then president of the Dominion Steel Corporation, stated that a Mr. John A. Shillitoe, of New York City, had approached him with an amalgamation scheme, but that not the slightest consideration had been given the merger proposals, which Mr. Plummer characterized as "visionary." Mr. Plummer told *The Monetary Times* he had been informed that the International Steel Company, Limited, in which Mr. Shillitoe and Toronto men were interested, controls some very good iron ore deposits, however, and that the company would likely begin operations to develop those properties, but that only a comparatively moderate capital would be employed, reaching at one time, in all probability, more than three or four million dollars.

## Gary Wants More Protection.

The necessity of adequate and proper protection to American industries was pointed out by Elbert H. Gary, chairman of the board of the United States Steel Corporation, in addressing the American Iron & Steel Institute at its annual meeting at the Waldorf-Astoria last week. Mr. Gary referred to the depressed business conditions prevailing before the war, and predicted a return of these conditions unless our tariff laws are improved. He likewise had something to say with regard to the need of an adequate merchant marine, and expressed himself as follows with reference to business conditions at the moment:—

"The steel industry is good—better than ever before. There have recently been publications to the effect that there is a falling off in new orders, and this may be true to a slight extent, but the daily bookings generally are larger in volume than the total producing capacity, and as the unfinished orders on hand are sufficient to keep the mills busy for the remainder of this calendar year and a large portion of 1917, there is not much, if any, cause for concern on the part of manufacturers for the next twelve months at least. We could hope that we had been permitted to continue co-operation on a basis that would have influenced greater stability in prices, higher in times of depression and lower in times of great activity, for it would have been satisfactory and beneficial to both producer and consumer and to their employees; but circumstances over which we had no control brought about a change in this particular. Public sentiment may bring about a restoration of the former and better methods. Who can tell? We know, at least, that conditions in our industry are infinitely better than they were fifteen years ago or more."

"High Finance" was the title of a recent address delivered by Mr. Otto H. Kahn to the American Newspaper Publishers' Association, New York, and now issued in pamphlet form. Copies may be had on application to 52 William Street, New York city.

## CANADA'S TARIFF AFTER THE WAR

Relation of Wages and Protection—Comments on Mr. G.  
Frank Beer's Article

Considerable interest has been aroused in the article on the Canadian tariff by Mr. G. Frank Beer, printed in *The Monetary Times* recently. It is described by *The Toronto Globe* as "an earnest attempt to bring the theories of protection to practice," which journal adds:—

"A noteworthy reference is made to the higher wages paid Canadian workmen compared with wages paid in competitive industries abroad, and the attendant rates of duty on the products of such industries. Mr. Beer points out that 'it is not a matter of indifference whether Canadian workmen actually receive these wages.' It is unusual for protectionists to take up the question from the standpoint of the wage-earner, and this makes the suggestions all the more interesting. Mr. Beer contends that power should lie somewhere to secure an adjustment between wage rates and the tariff. To that end he suggests extending the scope of an independent tariff revision board so that it might supply reliable and comprehensive information, not only regarding the need of protection by various industries, but the extent to which the benefits are shared by the workmen."

## In Unprotected Industries.

"This suggestion will receive wide acceptance so far as it goes, but it does not reach the workmen in unprotected industries. It would be an easy matter, theoretically, to insist that a protected industry pay proportionate wages to its employees on pain of being deprived of its special favors. A similar course has been adopted toward industries making exorbitant charges for their output. Some means will need to be suggested by the upholders of this view for extending the benefits to unprotected industries. The farm laborer cannot obtain compensatory relief, because his employer must sell his products at the world's competitive prices. All the basic industries are in the same position, and it would be a matter of extreme difficulty to maintain wages higher in protected industries than in unprotected, requiring equal skill and capacity. It is well that Mr. Beer has taken the lead in considering the wage issue in connection with the protective tariff, and he will doubtless encourage others who favor trade regulation to bring their best thought to bear on a problem that will be of growing importance as the burden of war debt is increased."

## To Keep the Home Market.

The *Toronto World* discussing the same article, reminds us that in the United States the Republican party is going into a presidential campaign upon the proposition that tariff duties will have to be greatly increased if the American manufacturer is to keep his home market after the war.

"Beyond doubt," it says, "all European nations will apply themselves to manufacture and commerce with greatly increased efficiency. Every belligerent government has, to a large extent, mobilized its manufacturing and transportation facilities. In the reconstruction period after the war, it is quite probable that state control will be exercised in stimulating industry, in limiting profits, regulating wages and transporting cheaply the output of the factory not only to the seaboard but beyond the seas."

## May be Another Battle.

"The American manufacturer dreads competition from highly organized industries more or less under state control aided by state-owned railways, and perhaps by state-owned ships. With the restoration of peace all the great European nations will struggle for world commerce and they will probably have the advantage of the American manufacturer not only in South America and the Orient but also in his home market."

"Hence the strong demand for a high tariff against future competition from Europe. And will not a similar demand arise in Canada to meet, perhaps, with fierce opposition? Another battle yet may rage over the national policy."

The German American Insurance Company has been licensed to transact in Canada hail insurance in addition to its business of fire and tornado insurance.