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Canadian Concerns In Great Steel Merger

British Empire Steel Corporation will Approach United States Steel Corporation in Size — Authorized Capital is \$500,000,000, of which \$207,000,000 will be Issued at Once—Directors of Dominion Steel, Nova Scotia Steel, Canada Steamships and Other Companies Approve Plan

IRON and steel, coal, shipping and shipbuilding and manufacturing companies are involved in the plan for the organization of the British Empire Steel Corporation, which has been under way for some time. As previously stated in these columns, this merger has been under consideration for some time, but definite information has just been made public this week. The purpose of the organization is to utilize Canada's iron resources by the application of British capital, manufacturing facilities, and long experience in world markets. It has been hastened by the near-exhaustion of iron deposits in the United Kingdom.

The capital of the corporation is to be as follows:—

	Authorized.	To be Issued.
7% cum. pref.	\$ 50,000,000	\$ 37,000,000
8% cum. pref. part.	100,000,000	25,000,000
7% non-cum. pref.	150,000,000	68,000,000
Common	200,000,000	77,000,000
Total	\$500,000,000	\$207,000,000

Companies to be Acquired

Negotiations are still under way with a large number of companies, and the directors of the following, it is understood, have already approved of the plan:—Dominion Steel Corporation and its subsidiaries; Nova Scotia Steel and Coal Co., Ltd., and its subsidiaries; Canada Steamship Lines, Ltd., and its subsidiaries; Canada Foundries and Forgings, Ltd., and its subsidiaries; Maritime Nail Co., and its subsidiaries; Collingwood Shipbuilding Co., Ltd.; Port Arthur Shipbuilding Co., Ltd.; Halifax Shipyards, Ltd.; Davie Shipbuilding and Repairing Co., Ltd.

The terms for the acquisition of these companies, which will, of course, be submitted to the shareholders, are as follows:—

Dominion Steel Corporation.—\$95 par value in 7 per cent. non-cumulative preferred stock of the new corporation, plus \$40 in common stock, to each holder of \$100 of the security known market wise as "iron common."

Canada Steamship Lines, Ltd.—\$100 par value in 7 per cent. non-cumulative preferred stock, plus \$45 in common; and,

Nova Scotia Steel and Coal Co., Ltd.—\$90 par value in 7 per cent. non-cumulative stock, plus \$40 in common.

Plans of the Corporation

The negotiations in Canada have been carried on by Col. W. Grant Morden, who is a Canadian, and a director of several companies, including the Collingwood Shipbuilding Co., the Murray-Kay Co., and the Richelieu and Ontario Navigation Co. In an interview on May 2nd, Col. Morden stated that the 7 per cent. cumulative preferred which figures in

the division of the share capital of the corporation would be issued in exchange for the securities of a preference category now outstanding in the obligations of the various companies to be embraced in the consolidations. The 7 per cent. non-cumulative stock, in addition to the common, is to be exchangeable for the existing common shares of the enterprises affected, while the \$25,000,000 of 8 per cent. cumulative and participating securities are to be issued to provide the corporation with the additional funds needed to carry out its ambitious program of expansion and improvement. The London Advisory Board of the corporation would, he said, include Sir William Beardmore, Bart., chairman of William Beardmore and Co., Glasgow; Henry Steel, chairman of the United Steel Companies of Great Britain, and the Bengal Iron and Steel Co. of India; Right Hon. Viscount Furness, chairman of the Furness group of English steel industrials; Benjamin Talbot, J.P., managing director of the Furness Companies; Major-Gen. Sir Newton Moore, G.C.M.G., M.C., formerly Prime Minister of Western Australia, director of the General Electric Co. of England, and closely associated with the Australian steel industry, and Sir Trevor Dawson, Bart., deputy chairman and managing director of Vickers, Ltd.

Col. Morden stated that in view of the anticipated earnings of the constituent companies in the current year, together with the savings to be effected through unification of control brought about by the affiliation of interests, through which operating expenses will be reduced by several millions annually, the directors of the British Empire Steel Corporation feel that they will be quite justified in placing the common stock of the enterprise on a 5 per cent. dividend basis before the end of 1920.

Present Executives to be Retained

The board of directors will include many of the directors of the companies being acquired. It is anticipated that Roy M. Wolvin, president of the Dominion Steel Corporation, will be the first chief executive of the British Empire Steel Corporation, and that D. H. McDougall, president of the Nova Scotia Steel and Coal Co., will also occupy an important position. In an interview on May 1st, Mr. Wolvin said:—"I am tremendously pleased with the result of the negotiations. It means that we are to have at our disposal plenty of capital to develop our plants and properties in Nova Scotia and at Sydney particularly. In the next two years we propose to put our works there in a condition which will render them second to none in the world. With the splendid labor we have in Nova Scotia we will then be able to effect a production equal to that in any steel plant existing. The development of our program, however, will require some time, and it may be a year or two before the effects of the improvements and extensions are seen, but when these are realized our employees will share in the fullest measure with