query of *The Monetary Times* this week, Mr. Frank H. Crockard, the capable and progressive general manager of Scotia, regretted that "at this time" he is "unable to give any authentic statement."

A somewhat similar statement comes from Mr. Mark Workman, president of the Dominion Steel Corporation. In a statement to *The Monetary Times* on Monday, Mr. Workman said that so far there is no information he could give regarding the suggested amalgamation other than that which has already appeared in the press. It will be recalled that he had previously stated that the merger of the two concerns will "be a matter of weeks and not months." He has also indicated that in the event of an amalgamation, the Dominion Steel Corporation will be the controlling factor, for one reason because it would dispose of the objection raised that United States interests might obtain control of the two companies. According to Mr. Workman, Canadian interests will be supreme. Mr. Workman referred to the desire of the Dominion government that the erection of mills for the manufacture of ship plates should be undertaken by one of the steel companies in Canada. He intimated that the action that might be taken by the two companies would therefore be a matter of concern to the Dominion government. The development programme of the Dominion Steel Corporation in the way of blast and open-hearth furnaces he estimated at from $10,000,000 to $12,000,000. For the present, at all events, he declared, his company had no plan or intention of erecting a shipbuilding plant.

The Dominion Steel Corporation's capital is $7,000,000 preferred, and $32,097,700 common stock. The common stock capital of the Nova Scotia Steel and Coal Company is $15,000,000, and $1,000,000 preferred, so that the total common stock capital of the merged companies would be $47,000,000, and the preferred about $8,000,000. Against this capital the two companies had at the end of 1916 excess current assets over liabilities of about $16,000,000. This amount will be further enlarged as the result of operations for 1917. In 1914, the excess of current assets over current liabilities of the Dominion Steel Corporation amounted to 4.7 per cent. on the entire capitalization. In 1917 this had increased to 18.95 per cent. For the same periods, the Nova Scotia Steel and Coal Company, in 1914, had excess current assets equal to 1 per cent. on the total capital, against 12.47 per cent. in 1916.

The current cash position of the two companies is shown in the following table:—

	Dominion Steel Corporation.	Nova Scotia Steel & Coal Company.
Total stock and bonds outstanding	$69,265,066	$18,287,196
Current assets	15,446,396	5,725,287
Current liabilities	2,315,238	3,443,558
Excess current assets over liabilities	13,131,158	2,281,729
Percentage surplus assets to total capital	18.95	12.47

Dominion Steel figures are for year ended March 31st, 1917. Scotia Steel figures are for year ended December 31st, 1916.

Some new financing will probably be required to complete the plans of the merger, but it will not likely be considerable in amount. The cash holdings of the two companies combined would provide a nucleus for an extensive programme of extensions and improvements and would be supplemented out of earnings as the work progressed.

If the amalgamation goes through, it will be on the basis of the present capitalization of the companies, without watered stock.

The general opinion is that the companies will merge on a share-for-share basis. There is, however, discussion of a cash bonus for the Scotia shareholders. This is mentioned at $10 a share or a total payment of $1,500,000. Little has been heard from the shareholders on this matter or indeed on any phase of the amalgamation proposals, as the subject has not been officially brought to their attention as yet. Mr. L. G. Beaubien, who owns and controls a very large block of stock of the Dominion Steel Corporation, has stated that while he was personally in favor of an amalgamation, as in the best interests of the Dominion Steel Corporation, he would like to know more of what was being done. "I would like to be given a chance to pass judgment before a decision is reached by the board. As the largest shareholders, we haven't been consulted in the negotiations that are going on, and we ought to have some say. We are thinking of writing a letter to some of the shareholders and friends explaining the whole matter."

Mr. Mark Workman, president of the Dominion Steel Corporation, and Mr. N. B. McKelvie, a director of the Nova Scotia Steel and Coal Company, have been in conference on several occasions during the past few weeks. Mr. McKelvie was chiefly responsible for the interest of American capital in the Nova Scotia Company. Mr. W. D. Ross has been the company's chief financial adviser.

Messrs. Hayden, Stone and Company, of New York, the brokerage firm which is understood to be interested in the suggested merger, has written the following letter to the press: "There has been considerable publicity regarding the proposed merger of Dominion Steel Corporation and the Nova Scotia Steel and Coal Company, and such merger would bring under one ownership raw material in the shape of iron ore and coal that would compare favorably with the ownership of such materials by any other company on this continent, and from the point of view of the British Empire would represent one of its great assets.

"To say that we are back of such a merger is hardly correct; but we do feel that an operation of the coal and iron ore deposits under one ownership instead of by any man-made division would result in economies, both from the point of operation and by avoiding the necessity of duplication of plant, that would be of the greatest benefit to the security-holders of both companies.

"However, if the talked-of merger is not consummated it will not in any way interfere with present plans of the Nova Scotia Steel and Coal Company, as the property has enormous supplies of raw materials, and we feel that the company has in Mr. Frank H. Crockard one of the ablest steel men on this continent to direct its development and operations, and there would not be any reason to delay proceedings with a plant commensurate with the company's supplies of raw material."

As to the selection of the management of the amalgamated concerns, it is stated, unofficially, that under certain circumstances Mr. Mark Workman, president of the Dominion Steel Corporation, would continue to give the company the benefit of his business experience, probably as chairman of the board of directors, while a technical man would fill the position of president and active head of the amalgamated company. There is precedent for such an arrangement, for when the United States interests took over control of Nova Scotia Steel, one of the most expert steel men in the United States was selected to fill the presidency, namely, Mr. F. H. Crockard, who is understood to receive a salary of $100,000 a year, in addition to a bonus on production.