FIGURES OF STEEL DEAL.

AUTHENTIC STATEMENT OF RATE OF EXCHANGE FOR STOCKS.

This Rate Wall Street is Fighting on What Ought to Be the Value of the Securities of the United States Steel Corporation. They Are Already Dealt In as to Dividends.

This first official announcement about the steel combine from the office of J. P. Morgan & Co. was given out yesterday.

At the office of J. P. Morgan & Co. it was stated that they were not yet prepared to make any official statement as large as any regular giving the full details of the proposed United States Steel Corporation. They recognize, however, that it is due to the public and the various shareholders that may should know as early as possible the basis upon which securities of the various companies will ultimately be removed for consolidation into the securities of the new corporation, which is as follows:

"The following offer is to be made for stock of the several companies named:

	Par Preferred	Par Common
Federal Steel preferred	1	1
Federal Steel common	1	1
Am. Steel & Wire preferred	1	1
Am. Steel & Wire common	1	1
National Tube preferred	1	—
National Tube common	1	—
National Steel preferred	1	—
National Steel common	1	—
Am. Tin Plate preferred	1	—
Am. Tin Plate common	1	—
American Steel Hoop preferred	1	—
American Steel Hoop common	1	—
American Sheet Steel preferred	1	—
American Sheet Steel common	1	—

As to the stocks of the last four companies, the aggregate amount of stock to be delivered was arranged with the principal stockholders of those companies, who have requested the distribution of such amount among the four companies to be made in the percentages as stated."

This means that for 100 shares of Federal Steel preferred 110 shares of United States Steel preferred will be exchanged, and so on. It will be seen that Federal Steel common, National Tube common and American Tin Plate common get a bonus of preferred shares. That is to say: Every holder of 100 shares of Federal Steel common will receive four shares of the common stock of the new company and four shares of the new preferred stock.

It was explained by Mr. Morgan that this arrangement regarding the particular stocks mentioned should not be regarded as a bonus, but rather as an estimated value of the old common shares as compared with common shares of the new company for which they are to be exchanged. In determining the basis of exchange, it was assumed by the negotiators that the common stock of the new company is worth so and the preferred stock par. Measured by this standard, arbitrary as it is admitted to be, two and one-half shares of the new common are worth one share of the new preferred. Applying this standard for the purpose of further comparing values, it is found that the holders of 100 shares of the common stock of Federal Steel, National Tube and American Tin Plate would receive, respectively, in the aggregate stock of the new company, 117, shares, 117 shares and 175 shares.

After the market closed the additional statement was given out that the exchange would be made of the preferred shares of all the combining companies as if the actual exchange were made on April 1, so that the dividends, all of which are cumulative, accruing on that date will be paid to the stockholders of record. If there be any dividends on the common stock, they will be adjusted according to the rules of the Stock Exchange. It was also stated that there will be no division of treasury assets in taking over the stock of the old companies.

When Wall Street had digested the table given out by Mr. Morgan it concluded that the so-called Moore properties, the last four given in the table, had been treated particularly well. Trading in steel shares was heavy, but the traders were bewildered. Not knowing and not having had time to calculate what would be the value of the stock of the new company, they deemed it safest to sell, and sell they did. American Steel and Wire common closed at the lowest figure of the day, 40¾, and it did not get above 44¾, netting a loss on the day of 4¾ points. The preferred lost 3¾ points, closing at 95. Federal Steel common lost 2¼ points and the preferred gained a solitary ¼. American Tin Plate common lost 4 points and the preferred gained ¼. American Steel Hoop common gained 1 point and the preferred lost 1½. American Sheet Steel common gained ¼ points, while the preferred neither gained nor lost. There was neither gain nor loss in National Steel common, but the preferred gained ½ a point. National Tube common lost 8¼ points and the preferred 3 points.

That which all the traders wanted to know was, what the common and preferred stock of the United States Steel Company would be worth in the market on the announced basis of exchange. Everybody seemed to have difficulty to find a basis for calculation. Thomas D. Woodlock, who is the mathematical sharpe as well as the treasurer of Dow, Jones & Co., took Mr. Morgan's table as given in it was published and spent most of the time between 12 and 3 o'clock in making computations. The result of his calculations will be sent out by Dow, Jones & Co. at the opening of the market this morning. Mr. Woodlock took as the basis of his calculation the amount of preferred and common stock of the combining companies. He found this to be of the preferred stock, $217,085,900, and of the common stock, $230,914,300. He determined that the market value of the outstanding preferred was, yesterday morning, $203,456,928 and of the common $114,295,356. He then determined that for the old preferred stock $250,702,012 of the new preferred was to be exchanged. This enabled him to strike an approximate valuation for the new preferred stock, which he fixed at 81. He applied the same method to the common stock and then prepared the following tables to show what the stocks of the uniting companies will be in the common and preferred stock of the new company:

PREFERRED STOCKS.

	Market Price.	Worth in New Cos.
Federal Steel	85¾	85
A. S. & W.	95	95.1
National Tube	103	101⅝
National Steel	103	101⅝
American Tin Plate	100⅛	101⅝
American Steel Hoop	81	81
American Sheet Steel	83	81

COMMON STOCKS.

	Market Price.	Worth in New Cos.
Federal Steel	46⅛	45.1
American Steel and Wire	42⅞	40
National Tube	59	56
National Steel	46⅞	45⅝
American Tin Plate	65	65
American Steel Hoop	36⅝	39
American Sheet Steel	36	39

With these figures in front of him Mr. Woodlock drew the following deductions:

"It appears that Federal Steel preferred is too low by comparison with the other stocks, while National Tube and American Sheet Steel are too high. It also appears that National Steel, Sheet Steel and Steel Hoop are selling below their exchange value, while National Tube and Steel and Wire are selling above it. Federal Steel is just about its value."

The above tables give an idea of what the new stock will be worth in the market, but other tables worked out over night will be carried downtown this morning for the guidance of those who made them. With as little definite knowledge as there was yesterday afternoon at the disposal of the Street there was trading in both the common and preferred shares of the new company, deliveries to be made when the stock is issued. Bunnell & Buchanan were the first to offer quotations on United States Steel on the curb. They bid 30 for the common stock and 70 for the preferred, and then offered the common for 40.

This was shortly before noon. Not long after 10 o'clock 75 was bid for the preferred stock and 83 asked. The first sale of common stock was made by W. H. Berger, who sold 500 shares to Sharp & Bryan at 38. Not long after this sale 38 was bid for the common stock and 40 was asked. In the last hour several thousand shares of the common stock sold at from 38 to 40, the closing price being 38¾. The thousand shares of the preferred were sold at 85. In the earlier trading brokers representing the Moore interests were active among the buyers, and it was said that the clerk Schuyler Warren, who acts as Mr. Moore's broker on the curb, offered 84¾ for the preferred stock of the new company.

Trading in the underwriting subscriptions of the syndicate that will furnish the necessary money for acquiring the uniting companies was also brisk. Its syndicate, which is commonly supposed to be composed of most of the great bankers of New York, guarantees to furnish to Mr. Morgan and his associates whatever money they will need up to $500,000,000. Bunnell & Buchanan led the buying of these certificates, taking them at prices ranging from 2 to 3. Much curiosity was evinced by the crowd around for whom the traders were acting. A little this transaction, however, the stock quickly jumped to 12 and then closed strong.

The announcement made by Mr. Morgan contained no word of the "gold" with which the Carnegie property was to be taken over. From an authoritative source it was learned, however, that Mr. Carnegie will get about $1,200 a share for his stock, the value of which is $1,000 a share. In the matter of further details it was said that the total capitalization of the new company would be $1,000,000,000. This will be divided into $400,000,000 7 per cent preferred stock, $400,000,000 common stock and $200,000,000 5 per cent bonds. Of the bonds, $150,000,000 will go to Andrew Carnegie in lieu for his holdings of Carnegie stock, and $100,000,000 to cover the other stocks to be taken over. It was also stated that the company will have in the treasury $50,000,000 in cash, which will be used for the purchase of the Tennessee Coal, Iron and Railroad Company, and an equal amount of the preferred stock of about $110,000,000 of each kind of stock. Charles M. Schwab will be the president of the new company, and Henry C. Frick will be the chairman of the board of directors.

Mr. Schwab, when interrogated regarding the organization of the United States Steel Company said: "I left out to wait on Boston yesterday morning, and that after Mr. Morgan left the church he called me up and asked me to come to the office. When I got there I was introduced to Andrew Carnegie, and we shook hands. We talked for a few minutes, and then we went into Mr. Morgan's room and talked about the business. We spent the afternoon in the office of Mr. Morgan, then we went to his house and talked all evening. We talked about everything, and Mr. Morgan then began the negotiations with Mr. Carnegie, which resulted in very large sales, which were accepted by Mr. Carnegie agreeing to take securities of the new company instead of cash. The new company instead of Mr. Carnegie's stock, which I understand is worth $1,000 a share, and Mr. Carnegie agreeing to take securities of the new company instead of cash. It was proposed yesterday morning to have a meeting of the companies with Mr. Carnegie present, and the Federal Steel, the National Tube and the American Steel and Wire companies were formed last week. Last Saturday Mr. Moore proposed that the National Tube, the American Tin Plate, the American Steel and Wire and the Steel Hoop companies be included in the combination, and the company decided to do so. Mr. Morgan said that he would be willing to do so if the companies would agree to take the stock of the companies that operated in Europe. These four companies were to be formed first, and every other company from the United States could come in afterwards. It was decided to go on and do it, and we worked all night long. We had to get the companies together and organize them, and we worked all night long. We had to get the companies together and organize them, and we worked all night long. We had to get the companies together and organize them