

Duluth, Missabe & Northern Road April 20, 1901

Hill to Robert Bacon


Re "the possible purchase of the Duluth & Missabe Road by the Northern Pacific from the United States Steel Company. Many questions are involved. One relates to transportation of ore." Without such a contract it would be possible for the Steel Company to consolidate its ore shipments over the Duluth and Iron Range Railway and leave the Northern Pacific with a worthless property." Rates also a vital matter. Present rates a "must." Both Grover and Clough "are of the opinion that the sale of the stock of the Federal Steel Company and of the Consolidated Mining Co., the latter named owning a majority of the Missabe Railroad, to the United

States Steel Co. does not in any manner consolidate the two Railway Companies. The owners of their respective shares remain as they have been for years, and there is no infraction of the law. The proposed legislative resolution to inquire into the parallel and competing question was beaten, and the Legislature has adjourned." "The Railway Commission last summer undertook to reduce the rates on iron ore in... Minnesota with a view of making the iron lands owned by the State more valuable. The Commission ordered a public rate of sixty cents per ton. Under the advice of Counsel for all parties named in various contracts ... This case is now before the new Board of Commissioners which took office January first last. Counsel

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believe that they will succeed in maintaining the present conditions, unless the State finds some way to force an open rate." "If the Steel Co. is to retain a railroad for the transportation of ore, the Missabe is really the one it should keep" with few changes can be made interstate, ending in Wisconsin and so avoid Minn. jurisdiction. Other road cannot do so without great cost.

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