

Iron ore-L.Superior District Feb. 20, 1902
card 2

promises a very large traffic for us. Louis has given a great deal of attention to the matter of ore supply on L.Sup. during past 6 months & has added largely to our former holdings, so that now we have from 3 to 400,000,000 tons of ore that we own or control. This makes us a very good second to the U.S. Steel Co., which is much the largest owner. The total estimated ore on Lake Sup, north & south shores, is about one billion tons, of which there is owned outside of the Steel Co. & ourselves, probably 100 to 150,000,000 tons at the outside. In 1896 there was moved from L.Sup. 8 000,000 tons; 1901, 21,000,000; this yr. will exceed 25,000,000 & will be limited only by facilities to move it.

U.S. Steel, which in past has been a large seller has decided that its reserves will not admit of further sales & that it will only mine ore for its own furnaces in future." In 1899 when we carried the first ore" we hauled 900,000 tons; 1,440,000 in 1900; 2,350,000 in 1901; this year largely because of Steel Co.'s refusal to sell ore, 5,000,000 tons. Royalty on ore 2 yrs. ago was 20 - 25¢ per ton; now firm at 25¢ and some higher. Mr. Schwab, pres. of U.S. Steel, before he sailed for Europe 2 mos. ago, told me that they must buy our mines at any reasonable price to protect themselves-as a future reserve. Of course, we would make no sale of our iron which did not cover with it a condition that we would transport the ore with a minimum

See card 3

Iron ore-L.Sup.Dist. Card 3 February 20, 1902
for handling shipments. We are in no hurry but
prefer to let all others use up their ore first
Our demand for both ore & transportation will
be large enough to keep us quite busy. Our in-
come from that source the coming season will be
about five millions of dollars, of which a very
large proportion will be net. It is quite safe
for us to assume the value of the ore we own
within ten yrs. as more than the entire capital
stock of the Gt. Nor. Ry. This may be a surprise
to you as it certainly was to me when I comm-
enced making the figures. Ores (considerable)
north and northeast of L. Superior in Canada
carry so much sulphur as to make them unfit for
the production of steel less mixed with a
large proportion of Amer. ores. We are resting

quietly upon what we have, as our careful explorations during the past yrs. show that the American ore of first quality is limited in both area and quantity.

General Correspondence by Date