

Railroads - Dividends

January 19, 1900

Hill to J.S. Kennedy *carbon also*

I have made the issue of new stock so as to increase the Willmar & Sioux Falls and the Eastern of Minnesota stocks with a view to avoiding the necessity of declaring too high a rate of dividend. Last year the W & SF declared a dividend of 20%; this year not to exceed 10 %."The Earnings of the Eastern Minnesota will be largely increased this year, as the Company has already contracts for the carrying of about two and a half million tons of iron ore against nine hundred thousand last year. The increased revenue will be over \$1,300,000, of which about \$800,000 will be net." "Our thru business and our iron traffic have grown so rapidly that we have been

compelled to largely increase our equipment in motive power and both freight and passenger cars. . . . Our new steel elevator at Superior and the new iron dock will together cost \$1,250,000 more. The local growth of business on the line, particularly West of Devil's Lake, is greater than we ever estimated it, and the iron properties owned by the Co., already developed, contain one hundred million tons of ore. We have a large acreage of undeveloped land on the [Iron] Range which we expect to gradually develop as the demand increases. What we have in sight would pay the Co. fifteen millions in royalty and eighty millions in freight earnings at the present rate of transportation, do that, on the whole, the Co. is very rapidly taking a position where its traffic re-

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