

U.S, Steel Corp. - Ore lease January 23,1906

Hill to Gaspard Farrer

"Mr. Baker... has had some negotiations with the steel corporation looking towards their making a firm offer for our ores. I have urged 90¢ per ton, present price, added to present freight rate, or \$1.70 including royalty, transportation & docking, with \$.036 added yearly to price of previous year, with a minimum of 6,000,000 tons annually until ore mined out. Baker advises they want 80¢ royalty or \$1.60 including transportation and docking and 3¢ added yearly. I reported that shareholders would take no less than my figures. We think we have 500,-

000,000 tons of ore, which at 10 per yr. would take 50 yrs. to mine out would pay an average of about \$1.80 for royalty alone or \$900,000,000 or \$19,000,000 per yr. & transportation \$400,000,000. But Mt. Stephen points out we could make more money mining it ourselves but who will say what is to happen within the next fifty years and many of our shareholders would unquestionably like to see the property [yield?] quicker results than by mining it ourselves. P.S. Transaction going fairly well, only thing is the price." Thinks deal will be closed when I am Eas

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