

U.S. Steel Corp. - Ore supply ~~January~~ 15, 1912

Hill to Arthur Lee, England

In regard to the Ore Certificates, the Steel Co. has as you undoubtedly know, exercised its right under the contract to cancel the lease on January 1st, 1915. The value of the certificates, however, does not consist in the lease to the Steel Co., but in the actual value of the ore. In conversation with Mr. Schwab (former pres. of Carnegie. I then Of U.S. Steel & now at head of Bethlehem) ... he told me the Steel Co.'s entire reserve of ore would not supply their requirements for twenty years, and that the Great Northern ore holdings, being the largest in quantity, would become more and more valuable every year. The Steel Co. output is

estimated at 45% of the total output of the United States, which leaves 55% for the iron masters outside of the Steel Co. None of these has a supply of ore as large in proportion to their capacity as the Steel Co. Since the Steel Co's notice has been made public, the Trustees are constantly receiving applications for ore contracts. The whole U.S. has been fully explored for iron ore and to a great extent this also applies to Canada, and no new fields have been discovered of any magnitude. The largest is in southwestern Utah, where the official estimate gives 40,000,000, or less than one year's supply for the country."