

# Enormous Investments of South American Syndicates

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**S**ANTIAGO, Chile.—The great war in Europe and the completion of the Panama canal will mark the beginning of an enormous trade between the United States and Chile. Under the old conditions this trade has trebled since 1903 and within the last four years it has increased 140 per cent. It already amounts to \$20,000,000 per annum, but this is only about one-sixth of what it will be when the canal is open. It has been trading with France to the extent of \$15,000,000. Belgium also has had a good slice of the business, and Australia has been sending in coal by the shipload. In another letter I will take up some of the items and show the mighty openings created by the war. This letter I shall devote to the present conditions and describe some of the big things that Americans are already doing with a view to the future.

**Few Americans in Trade.**

Within the last few months the Chilean government has put its exposition buildings at the disposal of a commercial museum for the display of American products. The government is especially friendly to Americans, and within recent years it has bought a great deal of its railway material from the United States. It now proposes to subsidize a line of steamers which will go northward through our canal to our Atlantic ports, and it is anxious to establish the closest of trade connections with us in view of the loss of its European commerce.

We have already a number of American ships that are plying between New York and Chile. Some of them belong to Grace Co., which controls the largest part of the American business on the west coast. This company has eight new vessels in course of construction. They are large steamers and fitted for the South American trade. They will come down through the canal to Valparaiso. The same firm has other ships plying north and south along the Pacific coast, carrying lumber and flour, and it has many vessels engaged in the carrying of nitrates, which from now on will probably go through the canal. The Graces are especially fitted to handle present conditions. The firm has its branches in New York, San Francisco, Los Angeles, Seattle and New Orleans, as well as in London, Manchester and Birmingham. It has the countries of the west coast of South America divided up into selling districts, just as our wholesale houses divide up their domestic territories, and its branches, agencies and traveling salesmen cover almost every part of Ecuador, Peru, Bolivia and Chile. It has long been in the selling of American farm machinery and in the handling of kerosene and illuminating oils, but it also does a general wholesale business of importing and exporting, selling everything from needles to steam dredges, and from push carts to locomotives. It is the South American representative for the west coast of the General Electric and International Harvester companies. It is noted for taking big contracts, and its capital and business already run high into the millions.

In addition to the Graces, there are a number of other firms pushing American goods who are ready to jump into the new situation and handle it to the fullest extent. Among these are Wessell, Dill & Co., the successors of the old firms of Flint, Eddy & Co. and Beebe & Co., who have been long noted in Chile, and also Williamson, Balfour & Co. and Anthony Gibbs. These companies have offices in New York and are already engaged in American importation. The same might be said of Duncan, Fox & Co., which is an English house with branches in the United States. All of these firms sell more or less American flour, cottons and various kinds of American machinery. Nearly all the farming implements and are ready to take orders for American goods of any description. Our chief typewriter companies have their agencies here and our phonographs and graphophones are distributed throughout every city and town. The Singer Sewing Machine company is in evidence everywhere, and the National Cash Register keeps not only the accounts of most of the stores, but even the cash of the telegraph and postoffices as well.

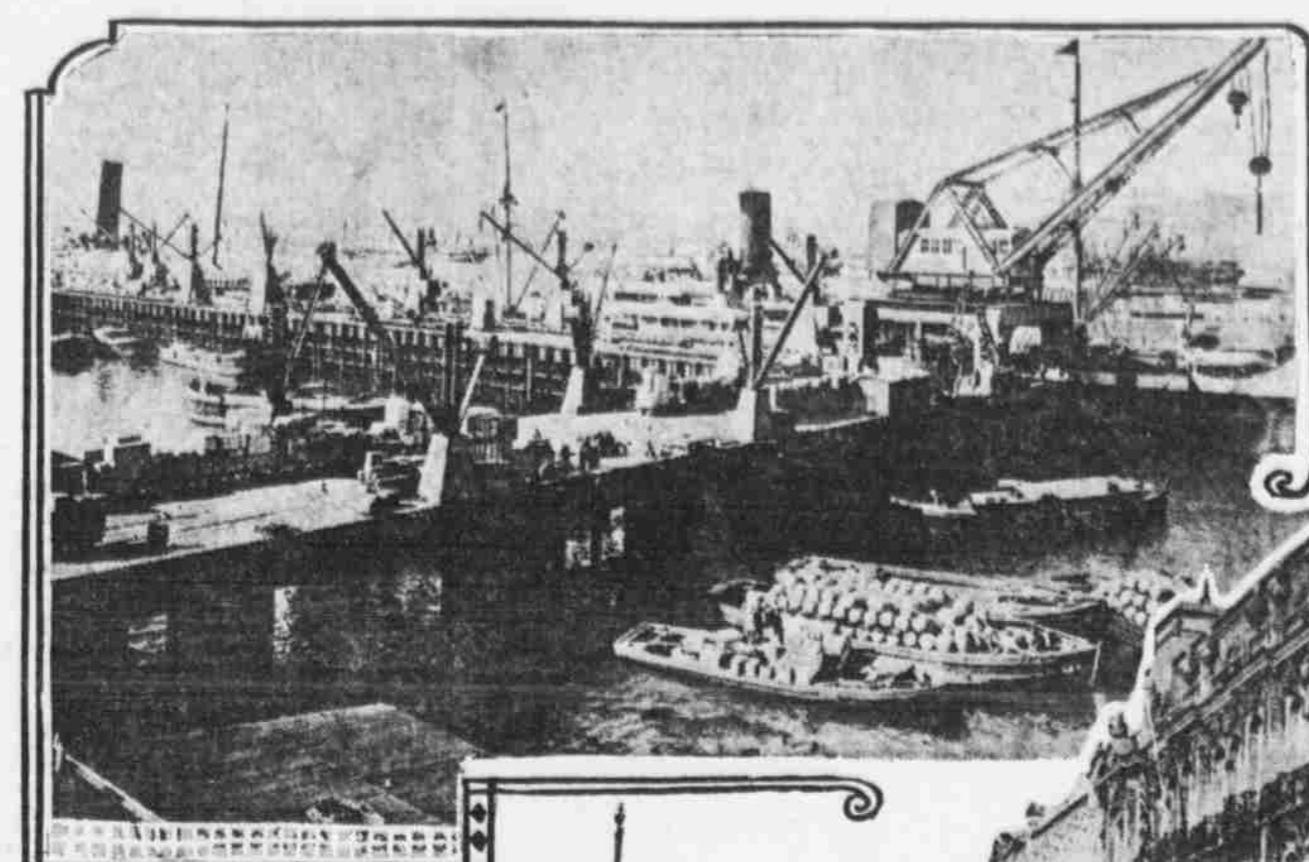
**Many After the Trade.**

Many of our great combinations of capital have long been planning to work the South American trade, and the present situation finds them ready to take advantage of it. The United States Steel company has had its agents in every country of the west coast, and for some time its own ships have been going from New York to these ports by the way of the Strait of Magellan. They will now go by the Panama canal, and their return freights will be such goods as have hitherto been carried by the steamers of Germany, France and Great Britain. The United States Steel company already sells more than half of all the steel used in Chile, and it is rapidly absorbing that class of business throughout South America. A large part of the building now going on in steel, and the new railroads in course of construction, will now be dependent upon us, rather than Europe, for their rails and other materials.

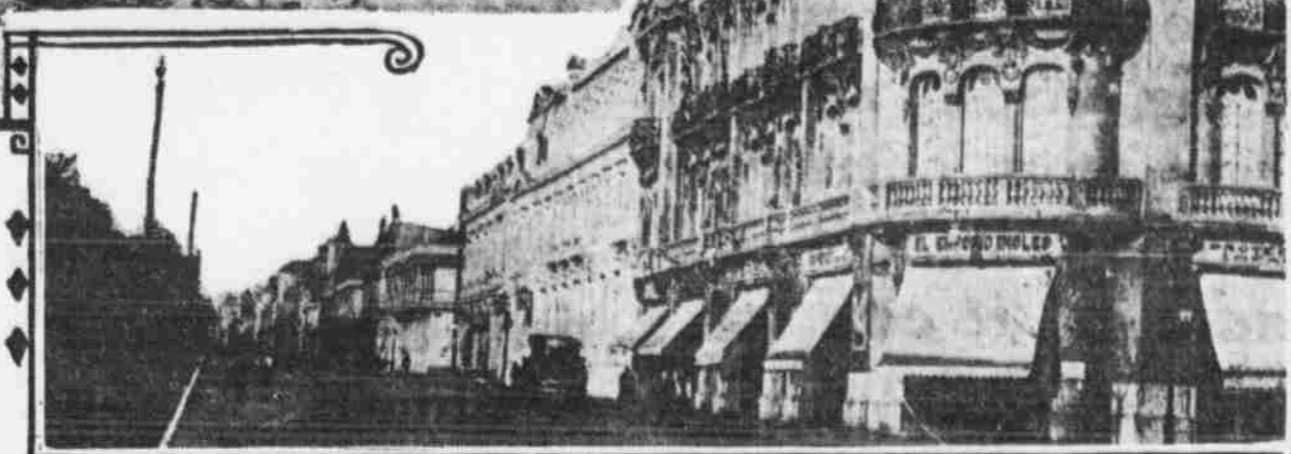
The Bethlehem Steel company is in splendid shape to do an enormous business with the continent of South America. At the time the European war broke out, it had almost completed a dozen large steamers which were to be employed in carrying the iron ore from its mines near Coquimbo, Chile, to the Bethlehem Steel works. It was estimated that the ore freight would amount to something like 1,000,000 tons per annum, and the ships were built with the expectation that the return freight from the United States to Chile would be practically nothing. The company expected to make its money by carrying the ore to its own mills. The present situation will enable this fleet to have full cargoes of United States goods on the return voyages, and the company will probably do a general carrying business in addition to its steel and ore shipments.

**Another Big Opportunity.**

The same will be true of the nitrate fleet that in the past has gone south through the Strait of Magellan and thence to Europe and the United States. From now on that fleet will probably go through the canal and as the United States is one of the best customers for



Valparaiso Harbor



The American Legation at Santiago

nitrate, the steamers that land there will load up with American goods and bring them back to Chile. We are now taking something like 600,000,000 pounds of nitrate a year, and Chile is ready to consume a like amount of American goods. This nitrate business is controlled by Americans. It is handled by the Nitrate Agencies, Limited, the majority of whose stock is owned by W. R. Grace & Co., and its return freight will probably be run in connection with the Graces.

Another effect of the war will be to send millions of dollars' worth of American capital into Chilean investments. It means new banks and new syndicates of various kinds. This is a land of big things, and the Americans are gradually getting their fingers on some of the most valuable properties. Take the Bethlehem Steel company. It has recently acquired an iron mountain near Coquimbo, a port on the west coast of Chile, between Antofagasta and Valparaiso. The ore lies only about five miles from the coast, and is so situated that it can be loaded by gravity. This property is said to contain more than 100,000,000 tons of high-grade ore, which assays from 60 to 70 per cent of pure iron. The mines have enough ore to supply the Bethlehem steel works for more than fifty years.

**Copper Mines Are Great.**

Some of the greatest copper mines of the world are in Chile, and in the hands of the Guggenheim syndicate. I refer to those being worked under the Chile Exploration company and the Braden Copper company. The Braden copper mines lie about 300 miles southeast of Valparaiso. They were opened up by Americans, including William Braden, E. W. Nash, Messmore Kendall and others, and were afterward sold to the Guggenheims. Within the last few years something like \$14,000,000 have been spent upon them, and they are now potentially about the largest of the world. The Braden mines have something like 300,000,000 tons of ore in sight, and the company is putting up mills that will treat 6,000 tons daily. The mines are now producing about 2,000,000 pounds of copper a month, and I am told that the profit is over 8 cents a pound. Four thousand men are employed, and among them many Americans. The ore milled in 1913 amounted to 700,000 tons, and the company expects to produce almost 3,000,000 pounds per month from now on.

The Chile Exploration company is the name of the Guggenheim branch which is developing the Chuquicamata copper mines. These are situated far north of the Braden property. They are about 150 miles by rail from Antofagasta, lying in the coastal range of the Andes at an altitude of 9,500 feet. The ore body already developed is 8,000 feet long, 1,000 feet wide, and no one knows how deep. Diamond drills have been put down in places to a depth of 1,100 feet, and enough ore has been found to keep the great plant now being built busy for more than sixty years. There are something like 200,000,000 tons in sight.

**Finest Plant in World.**

The plant of the Chuquicamata mines will be one of the finest in the world. The Guggenheims have 1,500 men building it, and it will be finished in 1915. It includes great crushing machines, acid-proof concrete tanks, and electrolytic plants that will treat more than 300,000 pounds of copper a day. The machinery has steam turbines, and generators of 30,000 kilowatts. Much of the machinery will be run by electricity, which will come through a transmission line eighty miles long. The plant has already built twelve miles of standard gauge railroad, and some of its mining is to be done with steam shovels from Panama, by which the ore can be gotten out at an extremely low cost. All of this machinery will be in operation next year, at which time it should be producing copper at the rate of 10,000,000 pounds per month, an output that will be doubled in 1917 by the erection of an additional 10,000-ton plant. This copper will go north by the canal, and the ships will be ready for return freights to Chile.

**Will Need Many Men.**

The Bethlehem Steel mines and the Guggenheim mines will necessitate large forces of workmen, and the management will, of course, be American. The Guggenheims are now building houses for their employes at Chuquicamata and Braden, and they are introducing American methods and American conveniences. They will have a number of American families connected with each property, and these will be permanent forces for the introduction of American goods and of American trade. At Chuquicamata the little city now going up will be a surprise to the Chileans. It is to have a theater, a hospital, two public schools and a public library and music halls for the workmen. There will be a telegraph and postoffice building and a Protestant and a Catholic church. Everything is being done with a view to permanency; for the getting out of the enormous body of ore will require the mining of more earth than we moved at Panama. It will eventually amount to more than \$25,000,000. It will last for generations and it means a permanent American establishment in Chile. The Chuquicamata mines

are owned by Americans whose authorized capital is \$10,000,000, of which shares to the amount of \$25,000,000 have already been issued. Daniel Guggenheim is the president and among its managers are Isaac, Simon, Murray and S. R. Guggenheim. This shows something of the kind of money that is going into Chile.

Another big United States company that will probably take advantage of the present situation is that which owns the Cerro de Pasco copper mines of Peru. I have already written of its works in my letters from that country. It is backed by millions, and it includes such names as the Vanderbilts, Henry C. Frick, J. B. Haggin and the Hearsts. They own a property on the very top of the Andes that is said to be worth at least \$20,000,000, and they have spent millions upon it. They are now exporting something like 2,000 tons of copper a month. This has been going to the markets in foreign steamers, and it will now have to rely upon American vessels. The mines are operated by 5,000 or 5,500 Peruvians under American foremen and engineers, and they have a little American town in the highlands. They have built an American railroad to connect with the line that goes to the tops of the Andes from Lima. That road is the best managed in Peru as well as by far the best.

**Uncle Sam in Right.**

Indeed, the United States would seem to be coming into its own again as to South America. It was our people who started the sister continent on its way to industrial development. The first steamship line that plied along the west coast was founded by a Yankee, William Wheelwright of Newburyport, Mass., and it was he who built the first railroad on the South American continent.

He introduced the first gas plant and organized the first fire company. He was also the first to propose a feasible plan for a transcontinental railroad from ocean to ocean across Argentina and Chile. William Wheelwright organized the Pacific Steam Navigation company, which later on went into the hands of English capitalists, and which still has the most powerful fleet on the west coast. The first railroads up the Andes were built by Americans. The most wonderful of them were the work of Henry Meigs, who had made millions in California about the time that gold was discovered there. Later on he made millions more. It was Meigs who built the first railroad from Valparaiso to Santiago. He constructed the first and most difficult part of Peruvian Southern that now goes up the Andes to Cuzco and Lake Titicaca, and is a part of the through line to La

Paz, Bolivia. Meigs also built the Central railway back of Lima, a road that will eventually be extended into the Amazon valley. United States proposals to that effect having been made within the last few years. The Central railway was perhaps the most remarkable feat of civil engineering ever performed. There is not a rack and pinion section connected with it, and nevertheless it ascends to an altitude of three miles in the course of one hundred miles, and the cars go over comparatively easy grades to that point.

**Promoter Big Man.**

Meigs was a big man, and was not afraid to deal in big money. Had he lived today he would have been in the same class with J. Pierpont Morgan and Edward Henry Harriman. He offered to improve the Valparaiso harbor at a cost of \$40,000,000. If the Chilean government would give him a ninety-nine-year lease of the sheltered side of the port. The government declined, and thereby lost millions, which loss it is now trying to repair by putting millions into the present harbor improvements.

Among other Americans who have made fortunes in Chile were Don Juan Foster, whose family is still prominent; Benjamin Bernstein, who married into the Cousin millions, and George B. Chace, the silver king. Chace failed as a mining prospector in California and came to Chile. He here fell in with an old priest who told him of a silver mine that had been worked by the Spaniards 100 years and more ago. The priest had a record of the mine's location in the archives of



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his little church near Iquique. He showed it to Chace, and the result was the rediscovery of the rich silver property of St. Peter and St. Paul. This gave Chace his start. He made money out of the two Saints, and with that bought other mines, eventually becoming one of the owners of the Chuquicamata property which has since gone into the hands of the Guggenheims.

FRANK G. CARPENTER.

## GEN. DIMITRIEFF AMONG SUCCESSFUL RUSS LEADERS

LONDON, Sept. 26.—One of the most successful generals on the Russian side in the advance on Lemberg was General Dimitrieff, the well known Bulgarian general who led the third army, which formed the left wing of the Bulgarian forces in the great battle of Lule Burgas on October 25 and 30, 1913. Previous to that he had won a signal victory over the Turks at Kirk Kilise. After the end of

the war he was sent as ambassador to St. Petersburg, that is to say, Petrograd, for which he was cast off by Bulgaria.

**A Kind Word for All.**

An old Scotch woman was famous for speaking kindly. No sheep was so dark, but she could discover some white spot to point out to those who could see only its blackness. One day a gossiping neighbor lost patience with her, and said, angrily:—

"Woman, ye'll have a guid word to say for the devil himself!"

Instantly came the reply:—

"Weel, he's a vera industrious body!"

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**English Channel Tunnel Advocates Helped by the War**

LONDON, Sept. 26.—The clash of war among the nations of Europe has not modified the views of the supporters of the channel tunnel scheme, whose desire to build a tunnel from Dover to Calais has been blocked for years by the military authorities on the ground that it would destroy England's insularity.

Several peers and members of Parliament who have for long shown an interest in the scheme declare that instead of proving of assistance to the enemy, a channel tunnel would have been of supreme assistance in transporting the British army.

They declare they will continue the advocacy of the tunnel at the end of the war. The precautions suggested to prevent the tunnel being made use of for an invasion of England include the flooding of a dip in the tunnel, commanding jets with guns that could be silenced from the sea, and an electric button that might touch off an explosion to destroy a part of the tunnel if necessary.

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