VAST PACIFIC ROAD DEAL

OPENS A NEW VISTA OF CONTROL OF ASIATIC TRADE.

Ownership Connections That Tie With Southern Pacific in the Harriman Syndicate. About Two-Fifths of S. P. Stock Has Been Acquired. Russell Sage Has Part.

Some additional information regarding the transaction by which the important railroad and financial interests making up the so-called Harriman syndicate secure control of the Southern Pacific Company was obtainable yesterday. It was learned that the Union Pacific Railroad interests controlled by the syndicate, is secured of an outlet to the Pacific Coast. The Central Pacific, in conjunction with the Union Pacific and the Chicago and Alton roads, affords the shortest possible line between Chicago and the Pacific slope. The Central Pacific running from San Francisco to Ogden is controlled by the Southern Pacific, while the Union Pacific runs from Ogden to Kansas City and the Chicago and Alton, which is also in the syndicate of the Harriman syndicate, completes the line from Kansas City to Chicago. The syndicate was not particularly anxious to obtain the Southern Pacific system in its entirety, but wanted the Central Pacific to secure the Union Pacific's Pacific Coast outlet. To do so it could not get the Central Pacific separately it bought the Southern Pacific.

Incidentally the Union Pacific through the acquirement of the Southern Pacific, has obtained a direct water line from New York to New Orleans on the Morgan line of steamships, and further by the Southern lines of the Southern Pacific system, a route to the Pacific Coast where direct connection is made to the Orient. For the ownership of the Pacific Mail Steamship Company, which company Edwin Hawes and the Southern Pacific made. This gives the control of vast international trade to Harriman.

The Southern Pacific-Harriman syndicate deal, it was learned yesterday, in view of present charges in the management of the Southern Pacific Company and the consolidation of interests, I now prefer to be realized trust bonds issued, and at present there will be nothing involving a readjustment of Union Pacific or Southern Pacific securities. By the best informed financiers, the deal was described as more than anything else a simple manifestation of the harmony of interests idea in railroad management, and it is believed that some permanent arrangement will be made for which the permanence of the arrangement between the Union Pacific and the Southern Pacific will be maintained.

The carrying through of the deal involved the transfer to the Harriman syndicate of about $60,000,000 par value of the stock of the Southern Pacific company, the syndicate thus acquiring about two-fifths of the company's total stock. The stock acquired was the shares belonging to the C. P. Huntington estate, and the shares held by Jacob Schiff as well as the shares held by Speyer & Co. for a syndicate which included the estate of the Crocker and Stanford estates. The price paid for the stock was about the prevailing market price, though some of it was obtained at a price slightly above the market. While the stock transferred as a result of the deal did not represent the transfer of a majority control, it is actually quite sufficient to give control and it is thought that the syndicate also bought other large amounts of Southern Pacific stock in the open market. Speyer & Co. retain their holdings of Southern Pacific bonds, being the fiscal agents for the bondholders in the contract made between the Southern Pacific company and the United States Government dealing with the settlement of the Central Pacific debt.

Acting Vice-President L. F. Gates of the Southern Pacific, a brother-in-law of the late C. P. Huntington and executor of his will, said yesterday regarding the transfer to the Harriman interests of the Huntington Southern Pacific stock:

"The deal for the sale of the Huntington Southern Pacific stock to the Harriman syndicate has been closed. The stock has not yet been delivered.

Otto H. Kahn of the banking firm of Kuhn, Loeb & Co., which firm is recognized as a partner in the Harriman syndicate, authorized yesterday a flat denial of a report that the syndicate had secured or contemplated acquiring control of the Missouri, Kansas and Texas Railway. The Missouri, Kansas and Texas is known as a Rockefeller property and the Rockefeller interests have close friendly relations with the members of the so-called Harriman syndicate, in which syndicate E. H. Harriman, James Stillman, president of the National City Bank, and Jacob H. Schiff of Kuhn, Loeb & Co. are most prominent. Interests in a position to know how matters stand, however, said yesterday that it would be no surprise to them to learn that George J. Gould, president of the Missouri Pacific Railroad, had bought into the Missouri, Kansas and Texas in the same way that the Rockefellers had bought into the Missouri Pacific, these purchases being in line with the harmony of interests idea in the control of the Southwestern railroad situation. This idea is already exemplified in the Kansas City and Southern, in which the Gould interests and the Harriman syndicate interests hold joint ownership. In the carrying out of the notification of interest also in the Southwest the other Gould roads, such as the Texas and Pacific and the St. Louis Southwestern, cannot help but be involved.

Russell Sage, who for many years was a director of the Union Pacific, said yesterday regarding the big deal:

"I regret it as very disagreeable to have such great common lines sold. I will find that in the end this deal will create distrust, arouse resentment and incite to retaliatory measures the people, the State Legislatures, and, event all, the national Congress.

JOHN I. WATERBURY'S NEW HOUSE.

No Trouble Between Him and His Architects or Contractors.

Mr. John I. Waterbury called up THE SUN on the telephone last night to deny a story printed yesterday that there was trouble between the contractors and himself over the house he is building in Morristown, N. J., and as a result of which, it was stated, the contractors had turned Mr. Waterbury admittance to the house. Mr. Waterbury said the story was entirely incorrect, particularly the statement that he had engaged a new architect for the house.

"I have had no trouble," said Mr. Waterbury, "with the contractors and have not made the last payment because it has not been asked for. The specifications the article contained on my architects were never warranted, as Howells & Stokes are still in my employ and will continue to be. I have been at the house all day and I cannot imagine where such a story originated.

Attorney-General Harlan of Porto Rico Takes the Oath.

CHICAGO, Feb. 2. James S. Harlan yesterday took the oath of office as Attorney-General of Porto Rico, his commission having been signed by President McKinley and Attorney-General Griggs on Jan. 21. Mr. Harlan expects to leave for Porto Rico on Feb. 23, and will probably go to Washington before that time to receive instructions.

His or Her Conscience Sore.

Some conscience-stricken citizen sent a letter to the comptroller yesterday enclosing two $100 bills. The letter did not say for what the money was due to the city. It was added to the conscience fund.

Copartnership Notices.

17 AND 19 BROAD STREET,
NEW YORK, February 1, 1901.

MR. EBEN STEVENS becomes a member of our firm from this date.

HOLLISTER & BABCOCK.

Financial. | Financial.

San Luis Mining Company

27 William Street, New York.

Owner of the well known extensive, and very rich SAN LUIS, LA TRINIDAD and LA POTOSINA group of Copper, Silver, Gold and Lead Mines near the City of Durango, in the State of Durango, Mexico.

Capital Stock, - - $1,000,000

100,000 Shares, Par Value $10.
35,000 Shares in the Treasury.

10,000 shares of the 35,000 shares of the Treasury Stock of this Company are offered for subscription at par.

The mines are already opened and developed ready to produce, and the reduction plant is nearly completed.

The proceeds of the stock now offered for sale will be used for the further development of the property, to complete and enlarge the reduction plant, and to furnish a working capital.

The San Luis Group.

The San Luis group of mines, taken together, is an immense body of ore consisting of several parallel veins of different kinds of ore.

The eastern end of this ore body, officially known as "El Sangrino Grande de Arizona," and more popularly known as "The Big Arizona Mine," is owned and worked by the Arizona Mining Company, Limited, of London. The western end, worked by the San Luis Mining Company, is a little more than 1,000 feet to the south.

The depth of these deposits no one knows. The Arizona Company have shafts down close to 300 feet, and they have exposed the ore down more than 1,000 feet without finding any indication of bottom, and the ore increases in value as they go down.

The parallel ore bodies above mentioned are:

1. The ore body adjoining the hanging wall and known as the San José vein, is from 25 to 30 feet in width, and the entire mass is composed of a red sylphide in a quartz gangue carrying a heavy percentage of iron, from 10 per cent. to 40 per cent. of lead, a small percentage of copper, 26 ounces of silver, and $2 gold per ton. The favorable combination of minerals in this vein makes it an attractive and floating ore.

2. The second of the parallel ore bodies adjoining the San José vein on the north is from 20 to 25 feet wide, and is composed of rolling ores, carrying gold, silver and copper of an average value, as they stand in the mine, of about $25 per ton. These ores are susceptible of treatment by concentration and flotation. By concentrating the ores ten tons can be reduced to one. Allowing for a loss of 25 per cent. in concentrating, this would give a product of the net value of more than $125 per ton of concentrates, and leaving daily net profit from a 100 ton plant, such as work will be also completed, of at least $1,250 over and above all expenses of mining, milling, transportation and smelting.

3. The third of these parallel ore bodies is a copper vein 18 feet and upwards in width. The copper bearing ore ranges in value all the way from 6 per cent. to nearly pure bornite or copper glance, which runs up to nearly 80 per cent. metallic copper. Besides the great value of copper in this vein, the ores run so high in gold and silver that the copper matte, 50 tons of which produced from it will be worth at least twice as much as 50 tons of copper alone.

The value of the Arizona mine is largely based upon the copper ores in the part of it worked.

From this copper vein two grades of ore will be extracted. One class, say 30 per cent. of the total, will cost, net of shipping one of the net value, at a conservative estimate of $100 per ton, the other class, a lower grade, will be concentrated at the company's mill.

The other four of these five parallel ore bodies also contain about 6 per cent. of copper in the form of pyrites. Altogether there is enough copper in the San Luis property to make it a great copper mine if it contained no other minerals. The only reason why it has not been heretofore known as a copper mine is because of the richness and value of the other minerals associated in it with the copper.

4. The next of these parallel ore bodies, adjoining the copper vein, is a vein of mixed ore from 10 to 15 feet wide, similar to the one described in Subdivision 1 above and of about the same value.

5. Next to this and lying on the foot wall is another red and silver vein similar to the San José vein on the hanging wall described in Subdivision 1 above. This is of about the same width as the San José vein and contains ore of substantially the same value.

These mines are have the unqualified endorsement of Professor George A. Treadwell. Those who know Professor Treadwell, and he is pretty well known everywhere, will consider this the best possible evidence of their value.

In a report dated September 1, 1900, Professor Treadwell, writing from the mines, said of the San José:

"This vein varies largely the same as the Arizona, a large hill vein, 30 feet wide, and also a ten feet wide vein, composed of quartz and material the whole hill. Some of the galena is rich enough to pay, need concentrating, but the bulk of the mass will mill. The old Arizona mine is sinking in one place, on the north end, part of the big outcrop, so the mines are practically 500 feet apart. Both are in the same vein, the ore of the Arizona is richer than that of the San José. The Arizona is worked on a large scale. The San José is a good prospect, and I consider it worked on a large scale. The San José is a good prospect, and I consider it worked on a large scale. The San José is a good prospect, and I consider it