THE COPPER WAR IN MONTANA

The Man, F. Augustus Heinze, and the Battles for Millions He Has Fought With the Amalgamated Company.

BUTTE, Mont., Nov. 7.—The great Standard Oil millionaires have been practically forced to the wall by that daring young operator in Montana copper mines, F. Augustus Heinze. It was only thirteen years ago that this nervy young man came to the Butte copper mines fresh from Columbia college bent upon finding his opportunity in life. He found it and to-day one of the greatest industrial bubbles ever conceived by Wall street is trembling upon the brink of collapse because this young man preferred to fight rather than lay down when commanded by the Rockefellers.

When F. A. Heinze first came to Butte he sought employment as a mining engineer with the Boston & Montana company, working in the depths of the earth for $5 a day and to round out in a practical way the education he had laid a foundation for while at college. For nearly twenty years Butte had been a wonderful producer of wealth. Marcus Daly and associates had opened the Anaconda mine which had proved a bonanza. Other independent companies, several of which were formed in Boston developed valuable properties, but little attention was being given to new discoveries. Heinze studied the situation from a practical point of view and decided that the Butte hill concealed his opportunity and he straightway started to uncover it.

His First Investment.

He went to his home in New York and pursuaded his two brothers, Otto, an importer, who has succeded his father in business, and Arthur, a lawyer, to entrust him with the little fortune that had come to the three boys from their grandmother's estate. Returning to Butte he built a smelter, operating under the name of the Montana Ore Purchasing company, and leased the Estella mine from which he expected to obtain his ores. This was the beginning of his litigation, for the owner of the mine, James A. Murray, attempted to repudiate the deal and for a time Heinze was without ore for his smelter. Next he took hold of the Glengary, which had been abandoned by other operators, and soon this mine netted him a profit of $300,000. Luck seemed to be with this daring young New Yorker, who was barely 22 years old when he began operations here. Every mine he opened seemed to have concealed wealth for him and within four years he became a factor among the copper producers of the world. His geological and scientific knowledge of mining and the daring of his operations soon showed him to be a coming man in the copper industry.

He next took hold of the Rarus mine which had been abandoned by both the Boston & Montana and Butte & Boston companies, then among the largest operators in the Butte district. This mine has proved one succession of surprises. Time and again new ore deposits have been opened which have made it one of the most valuable copper mines of the world.

The Fight Begun.

In 1895 Heinze extended his operations to British Columbia, building a smelter and railroad from the mines to the plant at Rossland. Here he likewise met with remarkable success, but in 1897, when the combined copper interests of Montana, known as the trust, opened warfare upon the young operator he found it necessary to dispose of his British Columbia holdings and return to Butte to make the battle of his life against the millionaires of Wall street who had concluded they would do with the copper market what they had done with the world's supply of kerosene oil.

The fight opened with a suit against Heinze over one of his properties and not understanding exactly why he was being attacked, he hastened to Boston and sought an interview with Albert Bigelow, at the head of the Boston & Montana company.

Upon this occasion Heinze discovered that the big mining companies were smarting from the stings of the young man's success in the Butte fields and he was told by Mr. Bigelow that he had been selected as the one of whom an example must be made. To this Heinze replied:

"If you try to make an example of me, before we get thru with each other our fight will be a household word from one side of the continent to the other, and to your dying day you will never forget Heinze."

The Amalgamated Formed.

From that time on both sides have battled in the courts and at the polls for supremacy in Montana. It has been Heinze against the Amalgamated Copper company, and the fight has extended to every corner of the state and to the money centers of New York and Boston. The Amalgamated was formed with H. H. Rogers at the head and the Rockefellers and other Standard Oil millionaires to push the scheme along in Wall street.

The Amalgamated was capitalized for $115,000,000 and all of the Butte mines except those of Heinze and W. A. Clark were taken over at fabulous prices. The alarm of a gigantic stock jobbing swindle was sounded by Heinze at that time and he declared that the Amalgamated was more than half water. But it was in the days of this country's greatest prosperity and the public was investment crazy. Knowing that the Standard Oil was behind this great scheme for controlling the copper product of the world the public eagerly sought Amalgamated shares realizing what vast millions the Rockfellers had squeezed out of the Standard Oil and hoping to be in early with the wise ones.

Stockholders Pinched.

Rogers and Rockefeller were gradually unloading on the public. They forced the price of Amalgamated beyond 100 and kept it soaring until, in 1901, it touched 130. Then it was that the Wall street men went to work. Thru every agency known to the schemers the tip was sent forth to buy Amalgamated and while the "suckers" bought Rogers and Rockefeller sold.

Every employe of the copper trust in Montana was given "inside" information, as they thought. They were told Amalgamated was going to 200 and so well was the tip circulated that more than 30,000 invested their savings in Amalgamated copper.

Then came the drop. Amalgamated began to slide down hill. Even the wise ones learned that Rogers and Rockefeller were in the business not to produce copper, but to give the investing public a trimming.

And they did it. Amalgamated kept going down until the banks refused it as security at any price. The water began to drip out of it and the quotations went lower and lower until it reached 34 a share, a loss of nearly $100 on every share of stock unloaded by Rogers and Rockefeller on a gullible public. Those who had bought on margins kept putting up money to protect their holdings until all their savings were swept away. A few—and a very few—were able to hold their stock, always hoping for a rally.

In Montana Rogers and Rockefeller spared no one. The employes of their smelter had been coaxed into buying Amalgamated; the miners, shift bosses, superintendents and even the general manager and chief attorneys of the great trust were taken in. Rogers and Rockefeller had planned a deal in which even the principal employes of this great concern were not to be allowed a share in the spoils. When Amalgamated reached $35 a share the insiders began buying back and are to-day acquiring control at that figure of shares they sold the investment-mad public at $130.

Heinze Given Notice.

One of the great schemes of the Amalgamated crowd was to crush Heinze. First they tried to buy him out, but he would not sell at their figure. Then they gave him notice that they would force him to walk out of Butte penniless, and that within six months. But Heinze did not take the threat. He fought back. He met them in the courts and answered their suits with others brought by himself. He went before the voters and told what the Standard Oil gang was trying to do with him, and the people took up his cause. At every election they have downed the trust candidates for office. The latter have lost every battle. The people would not believe them.

Heinze told the miners that when the Standard Oil millionaires controlled Montana they could expect the same that the coal miners of Pennsylvania got, and the possibility was so dreaded that even the men employed by the Amalgamated Copper company have refused to vote with their employers.

Beginning of Present Trouble.

Two years ago John MacGinniss, the right-hand man and business associate of Heinze, brought suit against the Boston and Montana company, as a stockholder, to enjoin the Amalgamated from controlling the affairs of the former company. The issues were practically the same as those raised by the attorney general in the famous merger or Northern Securities case. It was against the laws of Montana for one corporation to control the affairs of another, virtually an antitrust provision of the statutes.

District Judge Clancy enjoined the Boston and Montana from paying the Amalgamated dividends earned by Boston and Montana shares. Over $3,000,000 are tied up by this injunction, and on final hearing the the court held that the Amalgamated was in the wrong and had no right to control the various Montana companies, the stock of which had been acquired. The effect of the decision is that the copper trust will have to reorganize in order to do business in Montana.

Order to Close Down Issued.

So incensed at this fatal blow which had been struck the Amalgamated that upon the same day the decision was made H. H. Rogers wired his general manager, William Scallon, to close down every property owned by the company in Montana. The order was received in Butte at 5 o'clock in the evening, and by 7 o'clock 6,000 idle miners walked the streets.

Not alone were the mines affected, but the great smelting plants at Anaconda and Great Falls, the lumber mills and coal mines and a hundred other enterprises closely related to and controlled by the trust.

Minnie Healy Litigation.

The same day the decision affecting the rights of the Amalgamated was made Heinze won another great victory over his enemies in being awarded ownership of the famous Minnie Healy mine, valued at $10,000,000. This property was sold to Heinze by Miles Finlen for $54,000 after the latter had expended that much in its development without success. He agreed, it is asserted, to turn the mine over to Heinze if he could receive back what he had expended and Heinze took possession and within three weeks had struck ore and made it a paying property.

His success piqued the Amalgamated people to such an extent that they paid Finlen $140,000, it is alleged by Heinze, solely for his right of action to dispute Heinze's title and cause him more trouble. For one year they had this valuable property shut down by injunction and when Judge Harney gave a decision in favor of Heinze they filed affidavits accusing the court of corruption and later, it is charged, offered him a quarter of million dollars to reverse his decision and resign from the bench.

This alleged attempted bribery took place in the apartments of Arthur J. Shores, chief counsel for the Amalgamated company. Out of this attempted bribery came disbarment proceedings against Shores and other Amalgamated attorneys, and these cases are now pending, having been postponed from time to time for almost one year at the instance of the defendant. One of the witnesses against Shores, it is asserted by Heinze, was offered $60,000 to refuse to testify.

Why Remanded.

In reviewing the decision of Judge Harney awarding the mine to Heinze, the supreme court found the questions of law and fact in accordance with the views of the trial judge, but because Harney had failed to file denials of the allegations of misconduct made by the Amalgamated attorneys the case was remanded for a new trial. This time it was heard by Judge Clancy and the decision was again in favor of Heinze.

This defeat and the decision affecting the right of the Amalgamated to control the affairs of other mining companies were such a blow to the Standard Oil people that they decided to abandon all mining work with the hope, it is asserted, that such an industrial disaster would follow that those affected would attribute it to Heinze's litigation and would cause his political defeat in the election of 1904.

Fearing that the ultimate decision of the supreme court would be in accordance with the findings of Judge Harney and that the Amalgamated would be driven out of business as an unlawful combine, an attempt, Heinze asserts, was made to shift the responsibility of the shut down to Heinze, and the offer was made that if John MacGinniss would sell his stock in the Boston & Montana company and allow the suit to be dismissed, the Amalgamated would resume operations in all its properties. In order to bring about such an agreement the officers of the miners' union of Butte negotiated with Heinze.

Holds His Own Again.

Again Heinze exhibited his superior generalship and ability to cope with a trying situation. He called a public meeting of all the miners of Butte, and after listening to the proposal made by the Amalgamated people, replied by offering to sell the stock for one-half what had been offered, provided the Amalgamated would agree to drop litigation against his Nipper mine, which has been closed down for four years, and permit him to operate it.

He also required that the Amalgamated should bind itself to keep its mines in operation for at least one year and to make no atempt to reduce the wages of miners for at least three years.

Heinze maintained that the Amalgamated cared nothing for the copper it produced, but made its money out of stock manipulation in Wall street, and he has always told the workingmen that if the Amalgamated succeeded in running him out of the camp they would reduce wages from $3.50 a day to $2. His counter proposition was listened to by 10,000 men, who heard the speaker for two hours explain his position and the fight with the Amalgamated.

Fully one-half of the vast throng had gathered fully believing that Heinze was responsible for the shutdown, but before this intrepid young mining operator had finished they were cheering him.

Suffering in Prospect.

Unless something is done there will be trying times in Montana. Fully 25,000 people are affected by the shutdown. Every industry in the state is paralyzed. Business failures and distress are almost certain to follow a long continuance of existing conditions.

In the meantime, Heinze declares, the Standard Oil brokers are buying up the $100,000,000 of Amalgamated stock which they sold two years ago to the public for three times what they are now required to pay for it. It is estimated that the insiders, on Amalgamated, have netted between $50,000,000 and $100,000,000.

Why They Like Him.

The great success of this young copper operator lies in a strong personality and character. Such remarkable success has been attained by few men at the age of 34. Here in Montana he is known as a "mixer," and that counts for much with the individual in this cosmopolitan town. He meets the miners on the street, shakes hands with them and orders drinks for the crowd.

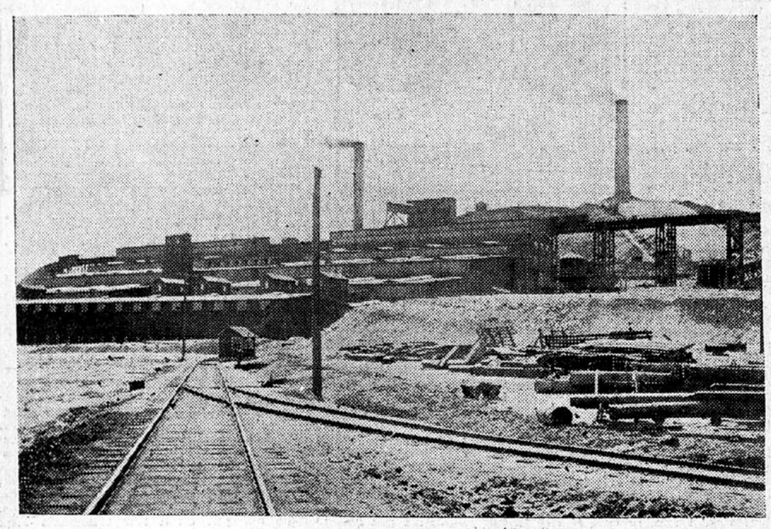
At night he is frequently found in the California brewery, a concert hall and resort for the working men. His appearance is the only signal needed for every glass in the house to be filled, and he is cheered wherever he goes. The Silver Bow club, the swell resort of Butte, sees less of him than does the California brewery, the poor man's club.

His business life is not surrounded with the evidences of exclusiveness that usually mark the successful man. He is accessible to everyone. A miner looking for a job may stop him on the street and talk for half an hour, or he will be welcomed at the office and granted an interview no matter how pressing other business may be.

Generally he spends the greater part of his evenings in his comfortably furnished bachelor apartments where he meets business and political advisers and discusses the questions of the hour.

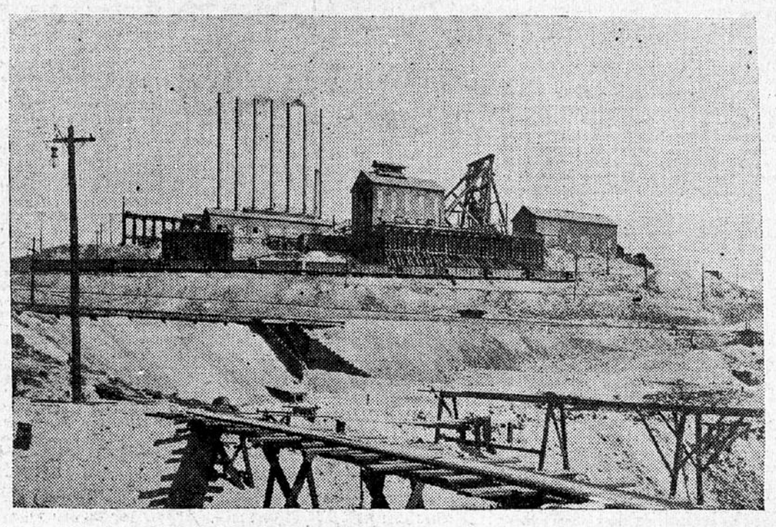
Upon the approach of a campaign he gathers from every county of the state his allies and a plan of battle is agreed upon. He listens to the suggestions of all his friends and is always willing to accept advice.

In the last campaign the Amalgamated paid out, it is alleged, over $100,000 to members of a state convention for their votes, and still they could not defeat this youthful politician. Heinze makes his tour of the state in a special train just a few weeks before each election, appealing personally to the voters for their support. For the past three elections the slogan has been "antikerosene," which the Heinze crowd has told every voter of Montana means that the Standard Oil crowd shall not gain control of the state.



THE WASHOE SMELTERS AT ANACONDA.

The greatest reduction plant the world has ever seen. About 4,000 men are ordinarily employed, and the works run thru approximately 5,000 tons of ore daily. The large stack is about 350 feet high, connecting with the smelter by a flue three miles in length.

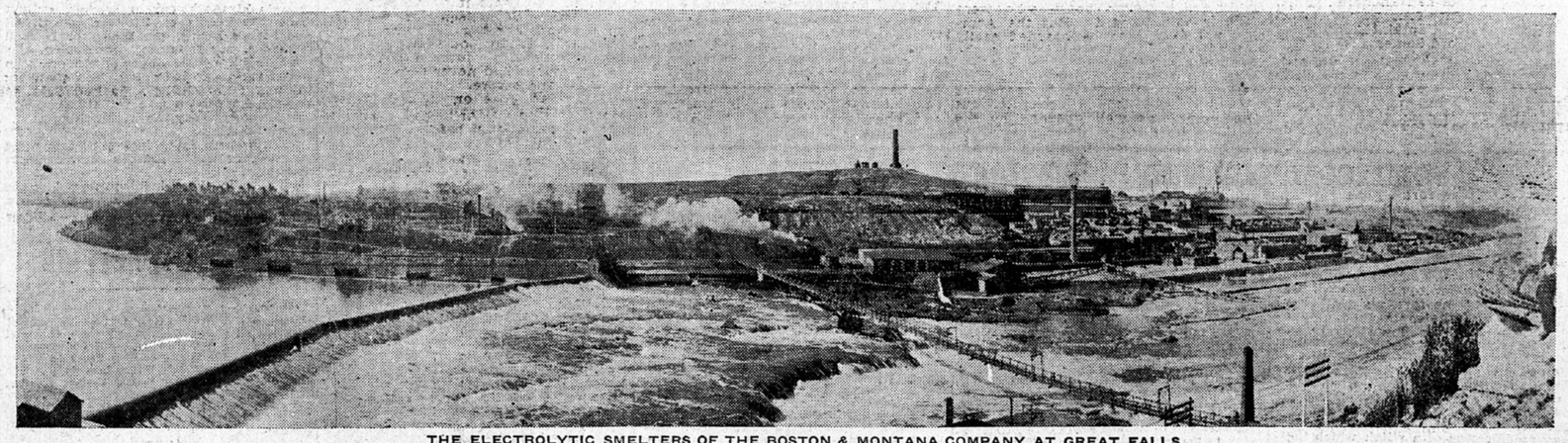


THE NEVER SWEAT MINE, OF THE ANACONDA GROUP.

One of the Amalgamated Copper company's properties. This property ordinarily furnishes employment to about 800 men, and, with the famous Anaconda mine, brought the late Marcus Daly before the mining world.

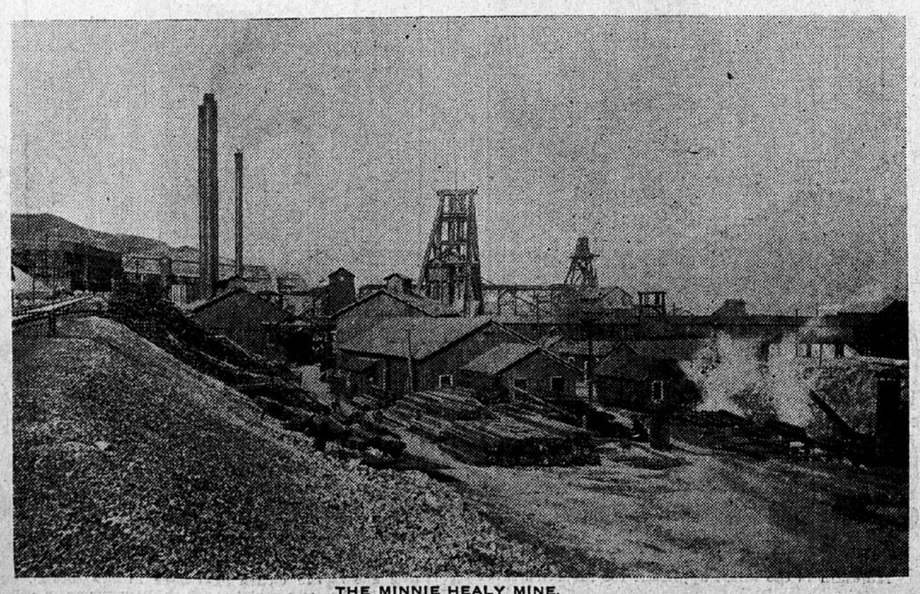
A GROUP OF MINERS

The central picture is that of Wm. Scallon, president of the Anaconda Mining company, and the representetive of the Amalgamated company in Montana. Mr. Scallon is shown attired in common miner's rig about to descend into the depths of the Anaconda mine.



THE ELECTROLYTIC SMELTERS OF THE BOSTON & MONTANA COMPANY AT GREAT FALLS.

The largest plant of its kind in the world. About 3,000 men are daily employed during the full operation of the works. Several thousand tons of low grade copper ore are daily reduced by use of electricity.



THE MINNIE HEALY MINE.

The large gallows frame shown in the foreground is that of the famous Minnie Healy mine, recently awarded to F. Augustus Heinze. The ownership of this property, estimated to be worth $10,000,000, has been the subject of the most extensive and sensational mining litigation in the history of the United States. The gallows frame in the distance is that of the Leonard mine, one of the principal producers of the Boston & Montana group of mines and an Amalgamated property. The miners of the Minnie Healy could be drowned like rats in a trap, were the pumps in the Leonard stopped, but should they cease, the damage resulting from the flow of water into the Leonard would be so great that the probability of Heinze being drowned out of the celebrated property claimed by the Amalgamated is very remote.

BY LAPLAND EXPRESS TO ARCTIC CIRCLE

A Journey on the New Swedish-Norwegian Railway to North Cape--The Greatest Iron Mine in the World.

By JOSIAH S. MOYER.

Correspondence of The Journal.

HAMMERFEST, NORWAY, Oct. 10.—The tourist can now travel far into the frigid zone by a luxurious express train. Jointly the Swedish and Norwegian governments have constructed an Arctic railroad. This road is a continuation of the Swedish Northern railway, which was built some years ago as far as Gellivare, a point just within the Arctic circle. But since the discovery of the famous iron mine at Kiruna two years ago, a road to the Norwegian Arctic coast was of the first importance. Lulea, a port on the Gulf of Bothnia, from which the Gellivare ore is shipped, is frozen up for six months of the year. Consequently an all-year open port was of the greatest moment.

Narvik, a small town in latitude 68, was selected as the western terminus. The two governments set to work two years ago, and this spring the road was completed. In many respects it was a remarkable undertaking. I know of no road that is so finely built as an initial undertaking, and none that affords such splendid service to the commercial world. The road was officially opened by King Oscar on July 15.

The Lapland Express.

Weekly the Lapland express runs between Stockholm and Narvik, a distance of 1,100 miles. This train is made up of three sleeping cars, one combination car and a dining car. The cars are of solid steel construction, wood being used only as an inside trimming. They are painted a deep blue, with gilt trimmings, and it is altogether a very smart looking train. The internal arrangement is after the order of an English corridor car, but they have in addition a saloon at either end, which serves as observation quarters. Our party of thirty was composed of twenty-nine Germans and Swedes and one—an American—wanderer. The running time is forty-nine hours, and the journey is in no way fatiguing. The dining car service is excellent—in fact, you are quite as well taken care of as in any ordinarily good hotel. The government has made an effort to make this a sort of Siberian express, tho it is not so luxurious as that famous train.

From Stockholm northward several hundred miles a fine farming country greets the view. Onward for 600 miles it is a weary monotony of rocky land, depleted woods, poor farm lands and marshy woods, with, however, a nice growth of fir and birch. As we go north one by one the farm products disappear in the chilly arctic breezes. The last to hold out are oats and potatoes and they looked as if they might ripen by Christmas. The beautiful fir all at once drops from view and the white birch alone flanks our side, altho it is no more the graceful tree we saw twenty-four hours ago. After we have crossed the arctic circle for some distance there is little animated life left. Bare hills and snowy mountains are now our companions.

Greatest Iron Mine on Earth.

At Kurina is located the greatest iron mine on earth. The ore yields 70 per cent pure iron and there is a whole mountain of it. It measures nearly 2,000 feet in height, miles in length and its depth has not yet been ascertained. For the most part its surface is bare and there are no mining obstacles of any sort. It is computed to contain over 600,000,000 tons of ore. At the present rate of mining 6,000 tons per day it will last some 300 years with a yield of nearly 2,000,000 tons per year. The train halts here for three hours and the passengers are taken to the mines only a mile away in a special car of the mining company. One of the directors acted as a guide and showed us all over the mines. While they have only been operated some five months, great dents are already seen on theh side of the mountain in many places. Operations are carried out on a gigantic scale. The drills are operated by compressed air from a central power-house of 5,000 horse-power. Along the side of the mountain are seen miles of solid steel cars each having a capacity of thirty-four English tons. The loading is all done by automatic machinery, an entire train being loaded in twenty minutes. The ore is of a dark steel-grey color and as hard as a rock, quite unlike the Pennsylvania or Minnesota ore. Kurina resembles somewhat a western American town of 5,000, such as grows up over night. The city is sure of its bread and butter for at least 300 years.

From Kurina to the Norwegian frontier is seen a strange magnificence of gray rocky mountains covered with snow. Arctic solitude pervades everything. Green is a color unknown here. From the frontier to the sea, a distance of twenty-five miles, the railroad passes thru twenty-two tunnels, and I question if anywhere so many engineering feats are crowded into the same linear space, excepting perhaps the Venezuelan line connecting Caracas with La Guayra. Nowhere can such varied scenic grandeur be seen. The railway follows a fjord with granite embattlements 3,000 feet high on either side. Thru these it finally finds its way to the sea by the help of wonderful engineering achievements.

Hammerfest and North Cape.

I landed here the other night at 1 o'clock. On my way to the hotel I met a group of Laplanders. I beckoned them to halt, as I had been wishing for such an opportunity ever since I left Stockholm. But the moment I trained my camera upon them I noticed they evinced no desire to come in contact with me. The crowd dispersed in the most abrupt manner, all yelling "money! money!" One or two even extended their open hands behind their backs, singing the same song. I realized at once that nothing short of a convocation would settle our differences of opinion. When I had put my camera upon a rock a respectable distance away they conversed and began to talk business after a fashion. All but one I succeeded in jewing down to 4 cents, but the last, a sort of prince, dressed like an oriental chieftain, budged only at the 12-cent mark, after much persuasion on my part and many "no's" on his. After finishing with the pay roll they formed an artistic group and put on their Sunday faces. The Laplander is not a bad fellow to meet, but you must understand him and be willing to pay for familiarity on short acquaintance.

The Midnight Sun.

At this time of the year the midnight sun is not visible here or at North Cape, July 31 being the last day it is seen above the horizon. In fact, I fancy as I saw it, with a two hours' twilight, the sight is more memorable than a two hours' sun above the horizon; at least, the captain was of that opinion. Indeed, few travelers saw the midnight sun at all this year, for the regions were generally enshrouded in mist, fog and dense clouds. I was fortunate to strike a clear night. The sight is truly a notable one. Rich twilight extends upward from the horizan some 60 degrees. The zenith of the heavens, perhaps another 60 degrees, is of a white-heat color, with the southern horizon a slightly shaded tint, thus forming three distinct zones of heavenly nocturnal beauty.

Hammerfest is a small town of about 2,000 inhabitants skirting the border of a fine bay. It was founded 116 years ago, therefore has not grown as fast as Berlin or Chicago. I think it has reached its fullest maturity so far as growth is concerned and I fear in its old age it cannot hope to acquire new life by a real estate boom as some western cities have done. All buildings are constructed of wood and some effort is made at artistic beauty tho hardly in accepted forms. There are many things to remind you that you are in the most northerly town in the world. The electric light plant is idle for three summer months, but this is no saving for the townspeople nor loss to the company, since during the three winter months the plant is in full operation twenty-four hours a day. Vegetables are sold at drug store prices and apothecary quantities. Nothing of this sort can be grown, even grasses only grow in favored spots.

In the long winter months and long winter nights people ply their work with the same zeal and keep about the same hours as they do in other climes. The same applies to the summer days.

Even this faraway town is not forgotten in the pursuit of trade by American firms. Many articles, such as typewriters, cash registers and hand tools can be found here.

Neither is commerce alone on the lookout for extension. At the Jenson Hotel I asked for an English paper of some kind. In a moment I was handed a late copy of "Leaves of Healing," the official organ of "Elijah, the Restorer."

ENORMOUS SUM

Given in Dowries by American Brides of Titled Foreigners.

New York World.

Duchess of Manchester, nee Yznaga	$1,000,000
Princess Poniatowski, nee Sperry	1,000,000
Duchess of Marlborough, nee Vanderbilt	10,600,000
Lady Curzon, nee Leiter	5,000,000
Lady Lister Kaye, nee Yznaga	1,000,000
Countess Von Pappenheim, nee Wheeler	1,000,000
Princess Colonna, nee Mackay	2,500,000
Countess Castellane, nee Gould	15,000,000
Lady Randolph Churchill, nee Jerome	500,000
Lady William Beresford, nee Price	3,000,000
Duchess of Manchester, nee Zimmerman	2,000,000
Miss Goelet (Duchess of Roxburghe)	40,000,000
Countess of Strafford	1,000,000
Princess Auersperg, nee Hazard	1,000,000
Lady Thomas Hesketh, nee Sharon	1,000,000
Mrs. Paget, nee Stevens	12,000,000
Mrs. Vivian, nee Roberts	12,000,000
Countess of Craven, nee Martin	1,000,000
Countess of Donoughmore, nee Grace	500,000
Baroness de Vriere, nee Cutting	500,000
Mrs. Douglass Campbell, nee Lawrence	500,000
Marchioness de Breteuil, nee Garner	2,000,000
Marchioness de San Marzano, nee Gillender	1,000,000
Countess de Roban-Chabot, nee Gallatin	1,000,000
Princess Scey-Montbeliard, nee Singer	1,000,000
Princess Vicovara, nee Spencer	1,000,000
Princess Hatzfeldt, nee Huntington	2,000,000
Baroness Bocklinson, nee Berwind	1,000,000
Marquise de Choisene, nee Coudert	500,000
Princess Engalitscheff, nee Partridge	1,000,000
Duchess de Dino, nee Stevens	2,000,000
Countess Festetics, nee Haggin	2,000,000
Baroness de Zedlitz, nee Ehret	500,000
Mrs. Carter, nee Parker	3,000,000
Countess von Larisch, nee Satterfield	4,000,000
Baroness Halkett, nee Stokes	10,000,000
Mrs. Michael Henry Herbert, nee Wilson	500,000
Mrs. Burke Roche, nee Wock	1,000,000
Baroness Harden Hickey, nee Flagler	1,000,000
Duchess de Valencay, nee Morton	1,000,000
Lady Gordon Cumming, nee Garner	1,000,000
Countess de Moltke, Huitfeldt, nee Garner	1,000,000
Countess Yarmouth, nee Thaw	1,000,000
One hundred lesser American heiresses	64,500,000
Total	$208,000,000