

45 Broadway, Room 190, New York

Aug. 7th, 1891.

My Dear Sir:-

During my recent service as Governor of Georgia, I became so deeply impressed with the value of a new and patented process for extracting oil from our wonderful cotton seed, that I resolved to secure if possible, control of it. This I have succeeded in doing.

I had two objects in view; one was of course to make some for myself; the other was to be of some service to our farmers.

After full conference with our National President, Col'n. L. L. Polk, and at his suggestion I write you in order to give the Alliance of North Carolina, the opportunity of controlling this remarkable process, if they should wish to do so. Indeed my original purchase was as Col'n. Polk understands, to have our planters not only make money by this process, but also to make themselves independent of the American Oil Trust, and of Fertilizer Companies, by this means.

Before discussing the merits of this great improvement in extracting oil &c., it is due to myself to say, that so far as my personal interest is concerned, it does not matter whether the Alliance takes it or not; but the question of who controls and owns it, will very seriously effect the interests of our farmers. I mean by this that since I have reached New York, I see my way clear I think to sufficient capital outside of the Alliance to carry this movement to a complete success; but the profits of course would be absorbed by these investors and not by the Alliance brotherhood. This much I repeat it seems proper for me to say in justice to myself.

If you are disposed to look into a programme which offers in my opinion greater profits on the investment than any legitimate bus-

iness I have ever examined, then read carefully and consider thoughtfully the statements in the enclosed pamphlet.

These statements are made by the Evans Seed Oil Co., of Cleveland, Ohio. I have their written guaranty of the truth of their statements and the Company is abundantly responsible financially for their guaranty. But, I have myself carefully investigated this Evans process and do not hesitate to give it my unqualified endorsement.

The principal advantages of this process over the mills now in operation are these;

First: It dispenses entirely with the immense and very expensive presses now used to squeeze or press the oil out of the ground seed - not a pound of pressure being required to extract the oil by this Evans process. The ground cotton seed are simply dumped into great iron hoppers or percolators, as they are called, and into this mass of ground seed a volatile fluid is injected, and by a quick chemical action the oil is turned loose and flows out like water from a mass of melting ice.

Second: By the oil process now used by the oil mills, it is impossible to extract all the oil from the ground seed - the most powerful presses in the most improved mills leaving in the meal from 11 to 18 per cent. of the oil. By this new Evans process, we take out all the oil down to 1 or 2 per cent. at vastly reduced expense. We can actually take dried meal from any of the oil mills - the meal now sold in the markets for feeding cattle or for making fertilizers and extract from this dried meal about 30 gallons of oil per ton after every pound possible has been taken from it by the most powerful presses in use.

Third: Both the oil and the meal from this Evans or percolating process is far superior to that made by the present mills. With these advantages, so marked and so important, it has been clearly dem-

onstrated that the Evans process insures at least \$3.00 more of profit on every ton of raw cotton seed treated than it is possible for the present mills to make. That is to say, if the mills of the American Oil Trust make a profit of \$2.00 per ton, this process will give a profit of \$5.00 per ton. If the American Oil Trust should from the low price of oil be unable to make a profit at all and could only clear expenses during any year, this Evans process would still give ~~the~~ a profit of \$3.00 per ton.

If this be true (and the most exhaustive tests have demonstrated its truth) it is not surprising that Mr. Strenby and other experts not connected with the American Oil Trust, should declare that this Evans process means a revolution in the cotton oil business of this country.

The price for the exclusive right to use these patents and processes in the State of North Carolina, is \$100,000. but I believe I can arrange matters so as to have this amount or nearly all of it paid in bonds of the Company, to be organized in your State - thus leaving nearly the whole amount subscribed to go ~~to~~ into the manufacture,

If this can be done, the following calculation would seem to be fully justified by the facts connected with this remarkable process.

Let us suppose a company organized in your state with a subscribed capital of say \$500,000; call in but 40 per cent on the stock, making cash - - - - - \$200,000.

It requires about \$1,000. cash capital for every ton of cotton seed to be treated per day. That is if you wish a mill to treat 25 tons of seed per day, it would require about \$25,000 capital. If 50 tons per day about \$50,000. capital.

The \$200,000 cash called in would build 4 mills of 50 tons capacity each or 8 mills of 25 tons daily capacity each, and these

mills would treat 200 tons of raw seed per day.

Now, if we suppose that the American Oil Trust mills only pay expenses, these percolator mills would still give a profit of \$3.00 per ton, or a combined daily profit of - - - - - \$600.00 or for 200 day's work a yearly profit of - - - - - 120,000.00

Now, deduct from this 6 per cent. on the \$111,000 of 20 years bonds - - - - - \$6,000

Deduct 3 per cent. for sinking fund or retiring of bonds - - - - - 3,000

\$9,000

This amt. deducted from the \$120,000 would leave \$111,000.00 for dividends on the stock - - - - - \$111,000.00

Now, suppose you pay a dividend the first year of 25 per cent. on the \$200,000 actually called in, this would require \$50,000, leaving still a surplus of \$61,000, which could be applied to an additional payment on the unpaid balance of the stock subscription and used in the erection of other mills &c.

But, this calculation is based upon the supposition that the American Oil Trust makes no money whatever. This is not a very reasonable supposition. It is much more probable that that Company makes a profit of at least \$2.00 per ton. Otherwise, its vast capital stock would not be worth much. If, however, that gigantic concern makes with its old pressure process \$2.00 per ton, these new mills with the \$3.00 advantage would of course make \$5.00 per ton.

On this basis, which is probably much nearer the truth, the results would be as follows:

200 tons treated per day at \$5.00 profit would give a daily profit of - - - - - \$1,000.00

or for 200 day's work a yearly profit of - - - - \$ 200,000.00

Now, deduct as before from this \$200,000 6 per cent.

on the \$100,000. bonds - - - - - \$6,000.

Deduct 3 per cent. for sinking fund 3,000.

\$9,000.

This amount taken from the \$200,000 of aggregate

profit leaves for dividends - - - - - \$191,000.00

Suppose you pay a cash dividend of 50 per cent. on the cash actually called in. This would require \$100,000 leaving still a surplus of \$91,000, which could be applied to payment on the unpaid balance of the subscriptions and used in erecting additional mills.

It will thus be seen that while paying very large dividends on the amounts actually called, the stock would also be rapidly paid up and the number of mills and aggregate profits increased largely year by year.

You will appreciate the fact that this plan is merely suggestive and intended solely to be illustrative. Of course, if the Company preferred, it could make the cash dividends less and more rapidly increase the number of mills, or it could pay the whole profit in cash dividends.

In this calculation I have said nothing of the great profits to be made by using the meal with phosphates for a commercial fertilizer or by feeding the hulls with small amount of meal.

One of the best, most reliable and most popular fertilizers known, and one in which there is a very handsome profit, is made by this mixture, with one or two other ingredients used in small proportions.

And it is estimated, I believe, that cattle can be fattened

on the hulls and meal more cheaply than upon any feed that has been tested.

If this matter impresses you as it does others, and the Alliance of North Carolina wishes to take that State, I shall be very glad to have them do so; but if not, I will ask you to return the papers to me at Atlanta, Ga., at your earliest convenience, as I am so situated that I am compelled to act promptly.

Of course I would not ask you or the Alliance to close this transaction until you have investigated and satisfied yourselves thoroughly; nor do I wish to urge in any degree the Alliance to take it; but I do wish to know positively whether or not the Alliance wants it, and whether it will close the transaction, provided upon full investigation the facts are all sustained.

In conclusion, permit me, for my own satisfaction and protection, to place on record my profound conviction that if the Alliance Brotherhood allows this process to pass into other hands, they will lose the only means that has occurred, or is likely to occur in our time, to realize the full value of their cotton seed by converting this product into money at enormous profit; and will also lose their only opportunity of making the Southern farmers absolutely independent both of Fertilizer Companies and of Oil Trusts and monopolies.

Sincerely & Fraternaly
J. B. Gordon

OFFICE OF

R. J. POWELL.

BUSINESS AGENT AND REAL ESTATE BROKER,

Wake County Alliance,

~~DEALER IN GROCERIES, GRAIN, Etc.~~

Nos. 10 AND 12 SOUTH WILMINGTON STREET,

Raleigh, N. C., June 13th, 1891.

MY DEAR SIR AND BROTHER:

There are immense quantities of undeveloped lands owned by Alliancemen in North Carolina—large areas of fine farming lands not utilized for the lack of capital. Valuable timbers that are being eagerly sought for by manufacturers. Water powers lying idle that could be made the life and source of prosperity to many sections. Thousands of hidden wealth in the nature of minerals, which, with a little intelligent research, might bring independence to many land owners. There is a market for this property if intelligently and honestly represented.

The great Southern Inter-State Exposition to be held in Raleigh, beginning on the first of October and ending the first of December, will bring large numbers of good people to this State seeking to better their condition by a change of section; and there can be no more opportune time than now to prepare a description of this property.

Please read this in your Alliance, that brethren having such property for sale can write me for particulars.

Fraternally,

R. J. POWELL.

ROBERTSON
BANKERS & BROKERS,
7 NASSAU STREET,
NEW YORK

NEW YORK
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How E. Carr, Pres State
Morehead city
North Carolina

P.M. Please have
this delivered to
Farmers State Alliance
to meet on the 11th

Com. on
Foot-Relation

J. J. B. Hoopes
E. C. Beadingfield
W. A. Wilson