

ALABAMA MINERAL EXPLORATION SYNDICATE

TWO FORTY MADISON AVENUE

NEW YORK CITY

CALEDONIA 5-5400

DORSEY HAGER, TRUSTEE
CONSULTING GEOLOGIST

January
Twenty-fifth

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Hon. Harry Walker,
Montgomery,
Alabama.

Dear Mr. Walker:

With your intimate knowledge of Alabama and being one of her first citizens, we would appreciate very much your valued advices in a matter in connection with the Alabama Mineral Exploration Syndicate.

Urged to set afoot a plan to acquire and develop some of Alabama's unworked mineral deposits; a group of engineers have conceived a sound project and intend to commence field operations in February. From the start, it is needful that the engineering talent be combined with keen business experience together with the interest of a selected few that have influence and first hand knowledge of Alabama localized conditions.

Backed by modest capital, the total number of original subscribers will probably not exceed twenty in number and the project will be carried on as a private syndicate. The operation should be a very profitable one for it is readily realized that while Alabama has experienced great mining and industrial activity, the surface has only been scratched and many opportunities are available for the taking.

In completing the syndicate's organization, we would like very much for you to become one of the members and to take an interest. But in the event that this is not possible, perhaps you would be so kind as to nominate someone in your stead that might be interested in learning of the details, who can afford to make a speculation.

Thanking you in anticipation of receiving your reply and of any suggestions or comments you may care to make, we are

With best respects,

Sincerely yours,

Encls.

DH:J

Dorsey Hager
Dorsey Hager, Trustee

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With best respects,

Sincerely yours,

Dorsey Hager

Dorsey Hager, Trustee

Encls.

DH:J

 * Report B-2 - INDUSTRIAL AND MINING SURVEYS - Jan. 22, 1935 *

Subject: ALABAMA MINERAL EXPLORATION SYNDICATE

Offices: care Dorsey Hager, Trustee, 918 Chrysler Bldg., Phone, Murray Hill 2-3150, New York, N. Y. Trustees: Dorsey Hager, Consulting Geologist, and two to be elected at next general meeting. Capital: Authorized, \$50,000.00 divided into 5,000 units, par \$10.00. 1,250 units are issued as full payment for expenses of organization, survey, research and investigation data. Accounts: Free of debts, no accounts payable. Financing: To date by private subscription. Allotment of units, 1,000 at \$10.00 and 2,750 in series at \$12.50, \$15.00 and \$17.50 respectively to net the Syndicate \$50,000.00 or more.

Syndicate: Convinced that Alabama, in its widely variegated mineral deposits, offers rich reward to capital and prospectors through development of mineral deposits; Dorsey Hager, together with other geologists and engineers, have persuaded capital that nothing should stand in the way of fostering and further development of Alabama's mining industry; this being the reason for the formation of the Syndicate, which will operate for profit. Operations are planned to commence in February.

In this connection, Dorsey Hager, trustee, in charge of exploration, will act as liason officer of companies in which the Syndicate acquires an interest, that will take over properties from the Syndicate for mining of minerals and processing of raw materials. Associated with Hager is a group of engineers, metallurgists, chemists and industrialists with notable reputations, and acting in consultant capacity with some of the largest industries. Their services will be available to the Syndicate in consultant capacity when required. Inquiry did not elicit or disclose the roster of membership of the Syndicate, but important men are reported to be connected.

The Syndicate has a wealth of research data of great importance concerning undeveloped metallic and non-metallic mineral deposits in Alabama and other localities, such as: gold, silver, tin, copper, bauxite, bentonite, barytes, ochre, chalk, oil, oil shale, natural gas carbon black, chromite, corundum, rutile, gem minerals, graphite, marl, mica, fluor-spar, talc, litho-stone, etc. in profusion. Immediate plans call for prospecting, preliminary development and possible acquiring of control of mineral deposits in close proximity to the Muscle Shoals development. Particular interest is directed to bauxite deposits in this vicinity, of which Walter B. Jones, State Geologist of Alabama, has to say in his paper published in the December, 1934 issue of "Mining and Metallurgy" (published by the Amer. Inst. of Mining and Metallurgical Engineers, Inc) as follows: "Bauxite Mining in the United States - Alabama - Mississippian - Cretaceous Contact. This group of deposits is located south of Margerum, in Colbert county, and consists of a series of small to medium-sized ore-bodies. They occur in sink holes and erosion channels in the Mississippian lime, and are covered by gravel, chert, and other erosional debris, associated with the Upper Cretaceous deposits." Mr. Jones stated that he had studied 43 deposits in Alabama in detail and from the mode of occurrences it seems likely that there must be many other orebodies which have not yet been brought to the surface by erosion.

While Alabama's future in mineral development seems greater in the non-metallics, the metallics are by no means exhausted. There are gold bearing areas in the north and south gold belts. Gold is found in Talladega, Clay and Randolph counties in the north, and Coosa, Tallapoosa and Chambers counties on the south. Tallapoosa county, in which is found quartz gangue with free milling gold, has yielded values of up to \$16.00 per ton recovered. At Arbacootchee, Cleburne county, at Dime Creek, gold has been continuously mined since 1835 (Mineral Resources of the South-1928, published by American Mining Congress). Last year the U. S. Geological Survey investigated gold and associated minerals in Alabama and the South. It has issued preliminary reports on gold in Alabama and Georgia, and tin in Alabama. The Syndicate's exploration and prospecting will be greatly facilitated by use of study of these and other reports published by the U. S. Geological Survey, the Amer. Inst. of M. and M., American Mining Congress and the State Geologists Department of Alabama. For these reasons, such operations by the Syndicate can be made much more economical than if this data could not be made available.

 * INDUSTRIAL AND MINING SURVEYS: Alabama Mineral Exploration Syndicate*

In 1928, the American Mining Congress published an exhaustive treatise on the South's undeveloped mineral resources to furnish the basis of further investigation as would demonstrate the value of mineral deposits, believing that it would lend assistance in the search for opportunities in the fabrication of these resources and in the marketing of the finished products. The treatise stated, "The South has been thoroughly aware of its industrial advantages, but not of its mineral possibilities." It hoped, "through its undertaking to not only awaken the South to the importance of its mineral possibilities, but also to bring to the attention of Northern and Western industrialists, and thus bring to Southern developments more of steam shovel operations." Moreover, it was further stated that, "The marked difference in the advance of nations is measured by the extent to which their mineral deposits have been developed. That, "The Southern Mineral Empire is incredibly rich in a diversity of both metallics and non-metallics. The production so far of these minerals is but a fraction of their logical potentiality."

The Syndicate will endeavor to develop and prosecute a vigorous exploration program. Among other things, the natural features which give strength to the Syndicate's decision to operate in Alabama; is that the State will stride forward among the world's mineral producing areas, because of the absence of real transportation problems; the presence of **home labor** and full year's working condition. Alabama's geographical position, and the proximity of its developed and undeveloped mining areas to the coast and inland waterways, obviate costly transportation of minerals and supplies. Within or situated close to these mineral areas, are large quantities of power now available or will be in the near future, for development of properties and production on an economical basis. These factors will doubtless be vital in Alabama's and other Southern states' mining and industrial development; which many mineral areas of the world do not possess.

Comment: Alabama Mineral Exploration Syndicate is apparently well conceived and a balanced project necessary to make of it successful and profitable. It is planned to do exploration, prospecting, preliminary development, and to acquire options or ownership in property that has been proven or semi-proven. In 1935, the Syndicate will endeavor to foster and to aid in starting several new industries, or have old industries take on new side lines in mining and processing raw materials which will prove profitable. Modest expenditures in preliminary development of properties give great enhancement in value of mineral ground, where values resulting are proven. It is from this source, and the sale of properties for cash at advanced figures together with acquiring interests in operating companies that acquire such property, that the Syndicate expects to increase its asset values and to make profits. This, and all projects of like nature are speculations, until proved up. Nevertheless, many large fortunes and huge profits have been made in Syndicate operations and distributed to their members.

Administrative expenses of the Syndicate are confined to a monthly minimum amount of \$100.00 and a maximum of not more than 10 per cent of profits, as may be determined by its members in general meeting. Quarterly statements of operations and the Syndicate's affairs are to be rendered its members, together with disbursement of profits accruing from net earnings. The Syndicate is to wind up its affairs in one year and a corporation to be formed to acquire the undertaking of the Syndicate. The corporation is to have a capitalization of \$3,000,000, par value of shares \$1, or as may be decided by the Syndicate members. 300 shares of voting stock in the corporation are to be issued in exchange for each \$10 par value unit in the syndicate, plus or less such shares as the Syndicate may set aside for other purposes.

Issued by:
 Alabama Mineral Exploration Syndicate,
 Sales and Supply - Statistical Depts.,
 240 Madison Avenue - New York, N. Y.
 January 22nd, 1935.

ALABAMA MINERAL EXPLORATION SYNDICATE

Trustees' Office:
Suite 918 Chrysler Building,
Telephone: MURRAY Hill 2-3150
New York, New York

Statistical - Sales - Supply
240 Madison Avenue-ground floor
Phone: Caledonia 5-1451, Ext. 18
New York, New York.

DORSEY HAGER,

Consulting Geologist and Engineer,
918 Chrysler Building. Phone, MURRAY Hill 2-3150,
New York, New York. Residence: Murray Hill Hotel.

Trustee and Managing Director, Alabama Mineral Ex-
ploration Syndicate (private syndicate), New
York City.

Born in Saint Paul, Minnesota, June 7, 1887. Wash-
ington University, Saint Louis, Missouri, 1905-
08; Columbia University, New York City, 1909-
10. Official with Kern Trading & Oil Company
(later the Pacific Oil Company), 1910-12. Vice-
President, Sunburst Oil & Gas Company, 1922-24.

Continuous consulting practice with headquarters
in New York City, Tulsa and Los Angeles, 1913-
1935.

Affiliations: Member, Society Economic Geologists;
American Institute of Mining and Metallurgical
Engineers; American Petroleum Institute; Mason
(32nd degree Shriner).

Author of "Practical Oil Geology (4th edition, 3rd
print) and "Oil Field Practice" (McGraw-Hill pub-
lications). Also author of numerous technical
and scientific papers, all of which are widely
referred to by members of the professional, in-
stitutes and schools.

Is scheduled to give a series of lectures on
Science and Geology subjects, at Columbia Uni-
versity the latter part of January, 1935.

He has had a wide practical field experience and
his reports are considered highly reliable.

DOCTOR HENRY MACE PAYNE,

Consulting Mining Engineer,
Box 443, Pennsylvania Avenue, Washington, D. C.

Born in New York, N. Y., Aug. 26, 1868. McGill 1885-88; C. E., hon. Ph D., Ark. Nor. Col., 00; hon. Sc. D., Shenandoah Nor. College 01; V. prin. Milton Academy, Md., 96; pres. and prof. eng. and math. Stewartstown Col. Inst., Pa. 97-01; prof. mining engineering West Virginia 07-10; ass't. to pres. Bertha Coal Co 17-20; cons. engineer Andrede-Eyre, Inc. 20-21; gen. mgr. Humboldt Mining Company, Mexico, 21-22.

Consulting Engineer, American Mining Congress 1922; geologist, G. M. & R. Ry., 26; Cons. Eng. Fairmont Coal Co. and Beattyville Block Coal Co.

Board of Arbitration, Lena-Lenskoi, Siberia, 1915-16.

Affiliations: Amer. Min and Metal. Soc.; Mining Congress of America; Soc. Mil. Eng.; Canadian Inst. Min. and Metallurgy.

Author: Mine explosions; Coal Dust; the Geology of West Va.; Comparative Values of Fuels; Hydrosopic Moisture; Humidity in Mine Air; Thawing Frozen Gold Bearing Gravels; Coal Mining; Undeveloped Mineral Resources of the South.

(From "American Men of Science, 1933)

(C.A.P.) TURNER, Claude Allen Porter,

300 Builders Exchange, Minneapolis, Minnesota.
Consulting Engineer, Turner Steel Company.

Born at Lincoln, R. I., 1869. E. E. Lehigh, 1890, Civil Engineer. Engineer, Edge more Bridge Co. 1891-92; Columbus Bridge Co., 92; American Bridge Co., 1901; Cons. Eng., Civil Eng., Mech. Eng., Asn. Eng. Am. Soc. C. E.

Author: Stresses; Skew Details; Elasticity and Strength; Reinforced Concrete; Concrete Bridge Design and Construction; Theory of Flat Slabs; Economic Triangulation, of Steel Trusses; Deep Foundations and Tunnels.

(From "American Men of Science, 1933)

Associate
Offices:
Tulsa
Houston
Tyler
Shreveport
Los Angeles
San Francisco

J O H N F. M c C O R M A C K
VALUATIONS AND APPRAISALS
Petroleum and Natural Gas
Chrysler Building
NEW YORK

January 21, 1935

C
O
P
Y

Mr. G. Gordan,
49 Wall Street,
New York City.

Dear Mr. Gordon:

Answering your letter of the 18th inst., I beg to advise that I have known Mr. Dorsey Hager for a number of years, and within the past ten years have recommended him as a competent consultant geologist and engineer after a thorough investigation of his work.

Mr. Hager has done geological and exploration work for most of the major oil companies, and only recently, I was assured that he had retained his contacts with those companies by his ability to secure confidential and technical information.

I have personally invested my own capital in some ventures of which the recommendations in Mr. Hager's reports were favorable.

I have always found Mr. Hager to be honest in his dealings and extremely frank in his recommendation.

Yours truly,

JFMcC/mal. (signed)

John F. McCormack

EDWARD H. STAPPER & CO. INC.
Investment Securities
21 West Street
NEW YORK

C
O
P
Y

Mr. G. Gordan,
Suite 1713, 49 Wall St.,
New York City.

Whitehall 4-6477
January 22, 1935

Dear Mr. Jordan:

I have your letter of January 20th, addressed to Edgar H. Stapper, in which you ask for information concerning Mr. Dorsey Hager, consulting geologist. Mr. Stapper is only more or less acquainted with the reputation of Mr. Hager, and has turned the matter over to me, inasmuch as I have had considerable actual contact with Mr. Hager.

Several years ago Mr. Hager was employed by my previous employers, Moody-Seagraves Co. and did considerable geological work for their various subsidiaries. He came to my employers with a fine reputation, and to my knowledge he was active in our various natural gas activities in New York, Pennsylvania, Kansas and throughout the Southwest. His results in Kansas were particularly good.

I understand he is the author of a widely used text book "Practical Geology." Trusting the foregoing information is of assistance, I am

Yours very truly,

BS:JAB

(signed)

BERNARD SCHATZMAN, Secy.