Selma Ala. 6 - February 1862

Hon. C. J. McRae

Dear Sir,

On my return home to day, I found your favor of the 31st ult. and telegraphic message of 3d inst. I left home with the view of going to Richmond, but on reaching Montgomery was informed that the rail road convention (to provide a way to supply rail roads with needed and indispensable articles) which I proposed to attend, would adjourn before I could reach Richmond, and I concluded to return. Had I rec.d your letter before leaving home, I would probably have gone on. Excuse the unusual form of my letter which is adopted for convenience in making reference to statements contained in it.

I replied to day to your despatch by telegraph, stating that 30 tons of pig and 25 tons of wrought iron could be furnished per week, and soon, as much more as may be required. This statement is based on the supposition that the Company referred to in my previous letter, would purchase Woods iron works, for Wood alone has not the ability to supply the immediate home demand. This Company consisting of ten gentlemen, have received from Mr Wood a proposition they are willing to accept, on certain

conditions. One of these conditions is, that the gentleman selected to superintend the business agree to serve the company. This condition it is now understood will be complied with. The other condition is, that the company shall become satisfied that if they purchase the property and make arrangements for a large increase of business, they will have a reliable market for their iron at ~~remunerative~~ prices for some reasonable period, say two years. The company is composed of men of enterprize, but their information on the iron question is limited, and being cautious men they do not wish to embark in a doubtful speculative enterprize. If they had assurance of the continuance of any thing like the present prices and demand for as much as two years, they would not hesitate to make the purchase, and embark in the business. No one can possibly know how long the blockade will continue, and there is apprehension that when the blockade shall be raised or abandoned, that the country will be so flooded with foreign, though greatly inferior iron at low prices, this company may not be able to withstand the competition with the existing rate of tariff. Hence their unwillingness, without some such assurance as a contract with the government to continue for not less than two years, to make the large investment which the proposed purchase

would involve. They make no demand on the government of course, while their action will be influenced by the action of the government in this matter. While the blockade continues, they could probably do much better to sell at current prices, than to under a contract with government, for prices are now very high for certain kinds of iron for which there is large demand; and this demand will no doubt continue so long as the blockade lasts. Pig iron manufactured into wrought iron at present prices, would pay more than double the profit of the pig iron at $40. or per ton of 2000 pounds.

The present capacity of the works, is about eight tons of pig, and five tons of wrought iron per day of 24 hours; but this could soon be largely increased by some additions to the works, which the company, if they purchase, propose to make. There is at present but one blast furnace for making pig. It is proposed to put up two others of larger capacity. It could be increased, if required, to fifty tons per day, by an increase of the furnaces, and indeed to any quantity, as the ore is inexhaustible, and the other materials at hand are in great abundance.

The present machinery, as I am informed by the proprietor and the superintendent, is capable, with some additions to the heating and puddling furnaces which can soon be made, is capable of making fifty tons of bar iron per week; and this quantity

could be largely increased by the addition of an engine, with some other additions which could be made at the works. All the rolls required, can be made at the works, and a number have already been made there; the iron being well adapted to the purpose. The Government may therefore be assured of being supplied regularly with all the iron, both pig and wrought they may require; and iron of the best quality for cannon as well as small arms, and for plating vessels of war, and for their machinery. As observed in a former letter, the cast iron is remarkable for its strength; and so is the wrought, the texture of which is fine and close.

Coal. You seem to think I am mistaken in my estimate, that coal can be furnished here, at $6.00 per ton, perhaps less, because of the exhorbitant prices now demanded. About the time I wrote you, I had an interview with the President of the Alabama Coal Mining Company, and also with Mr. Brown, on this subject. They were then filling orders for coal at $5.00 per ton, delivered on the cars, the freight to Selma being $1.25. This would make the price at Selma $6.25. I stated that I wished a proposition for a regular supply of coal, but that it must be at less than $5.00 delivered on the cars. I rec'd assurance that a proposition would be made, and I think I will get one soon at $4.75 - may be

$4.50, and I think the time will come at no very distant day, when a supply can be had at Selma (delivered there) at $5.00 per ton. Indeed the same parties said to sell at that price, and thought they would be able to supply it in large quantities when their arrangements for having it raised equinomically, were completed, at about $4.50 at Selma. Why then do they demand $10.00 per ton? The reply is, they are like almost every body else who have any thing for sale; they take advantage of the present demand, to get the highest price they can. And they have this further excuse; there is a large portion of the year when they are without a market; and are unable to sell enough to pay their freights. In the summer, the rail road Company has had to credit them for freights, in order that they might send down their coal. There is very considerable expense and waste, in transpessing their coal from the cars to the barges, and it is a great object with them to have a regular market for their coal at this place, either by shipping it on barges, or sending it to any distant market; and I think they will eagerly embrace an opportunity to furnish the Government by contract, at fair prices, with all that may be required at this place. I have no interest in either of these concerns, nor has many of our citizens; the

most of the stock of the Alabama Company being owned by persons residing in Montgomery and other counties. Mr Brown resides in Shelby.

So soon as I get a definite proposition, I will inform you of it. In the mean time I think the Government may rely that the price delivered here, will not exceed $6.00 per ton; and I will get it as much under that price as practicable. We are not wholly dependent on these parties, as there is attached to the iron property 120 acres of coal land lying between the lands of the Coal Company and Mr Brown, and near the rail road (the Ala & Tenn River) than the greater part of this; and within a short distance of the branch road which goes to the coal fields. If necessary, this can be rendered available. Mr Moore was offered a large price for this land by gentlemen who wished to engage in the coal mining business, but refused it.

The iron Company will engage to furnish the government with all the iron that may be wanted for two years or a longer period if desired, at $40.00 per ton for best charcoal pig, and wrought iron as may be desired, at proportionate rates; but would not embark in the business, and agree to furnish it I believe, at any less rates during the period named. After the expir-

ration of that period, they could and would doubtless undertake to furnish it at less rates. Their business being over firmly established, and well organized, they could afford to do better, though the quality of the metal entitles it to better prices than the ordinary iron; perhaps I might say, than the best iron of any other part of the Confederacy.

If this enterprize is to be carried into effect, it is important that early action should be taken; as if this Company disbands without doing any thing, it is not likely that another would be formed soon.

Very truly and
Respectfully yours
E. F. Lapsley

J M Tupler
July 6th

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