

# THIS IS YOUR OPPORTUNITY PORTLAND HAS STRUCK OIL

## YOU, TOO, WILL "STRIKE OIL" IF YOU ACT AT ONCE!

### PROSPECTUS

## Portland Refining and Oil Company

PORTLAND, OREGON

Price and quality being equal, will the people of the Pacific Northwest buy the product of a home refinery?

Yes.  
Is coal oil made from California crude oil as good as coal oil of Eastern manufacture?  
Yes, it is better. It has been proven in fair competitive tests that coal oil from the California crude gives 25 per cent longer light, with less smoke and odor, than the best Eastern coal oil. We are ready to repeat these tests at any time.

What is the daily output, in coal oil, of an oil refinery of capacity to handle 500 barrels of crude oil per day?

Approximately, 200 barrels.  
What is the average daily consumption of coal oil in the Pacific Northwest?  
Approximately, 4464 barrels.  
What proportion of the entire coal oil consumption in the Pacific Northwest would be supplied by the Portland Refining & Oil Company, with a 500-barrel per day plant, as at present projected?  
Four and one-half per cent.  
Who supplies the remaining 95 1/2 per cent?  
The Standard Oil Company—"The System."

**INCEPTION**—As a result of investigations made by the secretary of the Manufacturers' Association into the possibilities of an oil refinery in Portland, an enterprise of this nature is projected, under the name of "Portland Refining & Oil Company." The movement having received the indorsement of the board of directors of the association, necessary steps for the organization of a corporation to carry on the proposed business are now in progress, under the direction of its secretary, Mr. Colin H. McIsaac, and subscription lists are ready at the office of the association for the signatures of all who may wish to subscribe for stock in the Portland Refining & Oil Company.

**OBJECT**—The object of the Portland Refining & Oil Company is to install and operate an oil refinery in or near Portland, on a site to be selected, affording both water and rail transportation facilities direct, the projected refinery to be of capacity to handle 500 barrels of crude oil per day.

**CRUDE OIL**—Without doubt the operation of an oil refinery in Portland will stimulate the development of the oil fields of the Pacific Northwest, but pending the time when crude oil can be obtained at our doors, we must seek it elsewhere, and a satisfactory arrangement has been perfected for the necessary crude oil from the oil wells of the Santa Maria district of California.

**TRANSPORTATION**—The owners of the Santa Maria oil wells operate a pipe line to tidewater, from which point tank steamers will convey the crude oil to the refinery, located at tidewater in Portland.

The products of the refinery will be distributed by the company's tank steamer to various distributing points at tidewater in the Northwest, such as Seattle, Tacoma, and points in British Columbia and Alaska, as well as by rail in the company's tank cars to Spokane, Boise, Pendleton, Albany, Medford and other points where it may be expedient to establish tank stations.

**COMPETITION**—With the above facilities for transporting the crude oil to the refinery and the finished product to the consumer, the Portland Refining & Oil Company will be in position to successfully meet all possible competition.

**MARKET**—While there are now about fifteen independent oil refineries in California, there are no refineries at all north of San Francisco Bay, and the entire Pacific Northwest, including British Columbia and Alaska, is the best oil market today on the continent, it being reliably estimated that the product of a 1000-barrel per day refinery can be readily placed in this territory.

The Orient also offers an inviting field for the extension of our oil market, and it is safe to predict that within ten years the oil industry in the Pacific Northwest will have reached a capacity of 10,000 barrels per day. Even such an output would represent but a small percentage of our natural proportion of and participation in the petroleum industry of the United States, for, according to figures published by the Commercial Geographical Society of Paris, the United States is the largest crude oil producing country in the world, its output for 1904 having been 15,000,000 tons.

In passing it is pertinent to refer to a popular but wholly mistaken idea entertained by many that the growing use of gas and electricity is routing coal oil and gasoline. This is not the case; on the contrary, the consumption of coal oil, distillates and gasoline is steadily increasing, and the products of the oil refinery are admittedly indispensable commodities. Particularly is this true of gasoline, the increasing use of automobiles and gas engines creating a rapidly growing market for this product.

**COST**—The plant of the Portland Refining & Oil Company, located on a ten-acre site, with capacity, at the outset, for 500 barrels of crude oil per day, will represent an investment of approximately \$250,000. This figure includes cost of the refinery, site, tank cars, tank wagons, tank stations and warehouses, and other necessary equipment complete for operation of refinery and marketing of its product, and also \$50,000 to be set aside as the working capital of the concern.

**YIELD**—It is reliably and conservatively estimated that the gross yield of a 500-barrel refinery will approximate in value \$2000 per day, while its net average daily profit will approximate \$1000.

These figures are taken from the following estimate of yield, percentages and prices, on the basis of 550 barrels of crude oil in 26 hours, and the attention of all interested persons is particularly directed to the facts here set forth, viz:

33 barrels or 1386 gallons, 6 per cent gasoline (86, 72, 68, 63 deg.), average per gallon	0.15	\$ 207.90
110 barrels or 4620 gallons, 20 per cent gasoline (52 deg.)	.08	369.60
82.5 barrels or 3465 gallons, 15 per cent coal oil (120 fire test water white)	.14	485.10
82.5 barrels or 3465 gallons, 15 per cent special water white or canners' oil	.08	277.20
55 barrels or 2310 gallons, 10 per cent stove oil or 41 deg. distillate	.04	92.40
88 barrels or 3520 gallons, 14 per cent lubricating distillate (which can be worked up into engine and cylinder oils ranging in price from 12c to 50c per gal.)	.10	323.40
22 barrels or 924 gallons, 4 per cent loss in vapor and foreign matters contained in crude oil		
<b>550 barrels, 100 per cent gross daily yield</b>		<b>\$1,998.48</b>
<b>COST OF PRODUCTION</b> —Crude oil delivered at refinery, 550 bbls. at \$1.00		\$550.00
Process of refining 550 barrels at 1c per gallon		231.00
Expense of maintaining business, estimated at 10 per cent of gross yield		199.84
<b>NET AVERAGE DAILY PROFIT</b>		<b>\$1,017.64</b>

If "The System" reduces the price of coal oil in the Pacific Northwest with a view to eliminating all profit in this territory, would such methods cripple and destroy the business of the Portland Refining & Oil Company?

No. The territory of the Portland Refining & Oil Company is not necessarily confined to the Pacific Northwest, though such territory would naturally be its first market. We can, if we wish, ship our coal oil to California ports, while British Columbia, Alaska and Oriental ports offer an unending market for the products of an oil refinery located at tidewater in the Pacific Northwest.

Will "The System" reduce the price of coal oil in a very large proportion of its entire territory in order to cripple the business of a 500-barrel per day refinery in the Pacific Northwest?

No.  
Why not?  
Because "The System" is WISE. If you don't believe this, just watch the daily papers. And "The System" will grow more WISE as the administration of President Roosevelt proceeds.

**PROFIT**—All in any degree familiar with the oil business will at once apprehend that the above figures are safe and reliable, while others are referred to the daily papers for market quotations on oils and gasoline, where they may quickly satisfy themselves that the selling prices used in the above estimate are conservative. At this date coal oil is quoted at 15 cents, the above estimate being at 14 cents per gallon; gasoline is quoted at 17 to 26 cents per gallon, while the highest figure used in the estimate is 15 cents per gallon.

The fact is that after a thorough investigation of the oil market, the cost of crude oil, refining, selling, etc., the estimated percentage of profit of the refinery is found to be so large that we have in the above statement used maximum figures for expense and minimum figures for income, with the result, in round figures, of an annual net profit of \$365,000 on a total investment of \$250,000.

Surprising as these figures are at first glance, a mere cursory investigation of the subject will satisfy any one that they can be verified; and, in any event, the lucrative nature of the oil business is so very generally known that a long dissertation on the subject is quite unnecessary.

In brief, the opportunity which the Portland Refining & Oil Company gives the investor is the best business proposition that has yet offered in the Pacific Northwest, a land of great opportunity; and while all good things in the past have been handled by the few, the Portland Refining & Oil Company offers the many an unprecedented chance to invest conservatively in an enterprise wherein success is assured.

Will the Portland Refining & Oil Company be in position to meet all legitimate competition?  
Yes, and any attempted illegitimate competition as well. As long as the Columbia River is an open waterway, and as long as the Pacific Ocean affords an open commercial highway the business of the Portland Refining & Oil Company can be carried on independent of the railroads, if need be.  
How?  
Tank steamers will take the California crude oil from pipe lines at tidewater in California and deliver same to the refinery at tidewater in Portland. Tank steamers will carry the coal oil from the refinery to Seattle, Tacoma and British Columbia ports. Coal oil in packages can also be carried by water to these ports.

**EXPERT REFINER**—We have secured the services of a refiner who has during many years of experience thoroughly mastered the knowledge of extracting oils and other by-products from petroleum, or crude oil, since we well understand that the possession of this expert knowledge is a most essential element of success in the business of refining.

**INCORPORATION**—The Portland Refining & Oil Company will be incorporated with a capital stock of \$500,000, divided into shares of the par value of \$1.00 each. Subscription lists are now ready for signatures.  
Sufficient stock will be sold at once to establish the business of the Portland Refining & Oil Company as above outlined, the remainder to be kept in the treasury for use when it is considered expedient to increase the capacity of the plant.

**STOCKHOLDERS**—All stockholders of the Portland Refining & Oil Company will be given a voice in the election of its officers and directors.  
Any one wishing to purchase stock in the Portland Refining & Oil Company, or interested in learning more in detail concerning the plans of that company, is invited to call upon or address the undersigned.

Can the entire output of the Portland Refining & Oil Company be disposed of without resorting to rail transportation?

Yes. The output of our refinery as at present contemplated can readily be disposed of in Portland and Seattle; as much more could daily be sold in Alaska.

Is there any reason to believe that the Standard Oil Company will interfere with the business of the Portland Refining & Oil Company by reducing prices to a basis eliminating all profit on coal oil in this territory?

No. "The System" will not eliminate its own profit on 95 1/2 per cent of the coal oil consumption in the Pacific Northwest to rid itself of a 4 1/2 per cent competitor.

**COLIN H. McISAAC**

Secretary Manufacturers' Association, 308 Chamber of Commerce  
PORTLAND, OREGON

### SUBSCRIPTION BLANK

MR. COLIN H. McISAAC, Secretary  
Manufacturers' Association of the Northwest, 308 Chamber of Commerce, Portland, Oregon.

Dear Sir: I do hereby subscribe for..... Shares of the Capital Stock of the PORTLAND REFINING & OIL COMPANY, a corporation of Portland, Oregon, and hereby agree with the shareholders of said corporation, and with said corporation, that I will take said Shares so subscribed for, and pay said corporation therefor at such time or times as such payment shall be required by its Secretary.

The capital stock of said corporation is \$500,000, and is divided into 500,000 Shares of One Dollar each.

(Signature).....

(P. O. Address).....

BY ENCOURAGING THE ESTABLISHMENT OF LOCAL INDUSTRIAL ENTERPRISES AND THE CONSUMPTION OF ARTICLES OF HOME PRODUCTION YOU ASSIST IN THE EMPLOYMENT OF HOME LABOR.

KEEPING THE MONEY AT HOME MEANS PROSPERITY FOR THE COMMUNITY IN WHICH YOU LIVE, PROSPERITY FOR YOUR NEIGHBOR, AND PROSPERITY FOR YOURSELF.

Send in your subscription at once, or if you wish any additional information, write or call and we will be pleased to answer your questions.