

NO "GRAFT" AT GORDON FALLS

Here Will Be a Textile City Built Upon Honor, Conducted Upon Honor, and Forever Maintained as a Clean Home for Clean People, Recognizing the Rights of the Toiler Who Helps to Build It

An Important Industry

Oregonian Editorial, July 16

The new woolen mill project at Gordon Falls, near Bridal Veil, may easily develop into one of the most important industries in the state. Oregon is one of the greatest wool-producing states in the Union, and the advantage of having a manufacturing plant so near the source of supply of raw material is obvious. In the saving in freight alone on wool shipped east, and goods shipped west, there will be an opportunity for much cheaper and better clothing than is now obtainable. The mill will also give employment to a large number of people, who in turn will become purchasers of farm and garden products grown in the vicinity. Lack of factories has been one of the greatest drawbacks to the growth of Oregon, and every enterprise of this nature should receive the heartiest encouragement from the people.

The plans have been formulated and the foundation laid for a great textile manufacturing center, located 29 miles east of Portland, on the line of the Oregon Railroad & Navigation Company, the Columbia River and the Spokane, Portland & Seattle Railway, at the foot of an immense waterfall of 900 feet, the energy of which is to be converted into electricity by a plant to be immediately installed, and for the purpose of securing funds to meet the expenses of such installation,

The Gordon Falls Electric and Manufacturing Company Has Decided to Issue a Limited Number of 6 Per Cent 10-Year Gold Bonds, in Multiples of \$100, and With Each Bond Will Be Given, as a Bonus, 50 Per Cent of Its Face Value in Co.'s Stock

Bonds to be delivered and interest to accrue upon the completion of purchase for such bonds. These bonds may be paid for in cash or on installments, and interest will be paid semi-annually in United States gold coin, thus affording an opportunity for persons of great or small means to invest either considerable or small amounts in an absolutely safe and profitable enterprise. There can be no question that the stock, given as a bonus with the bonds, will pay most generous dividends, and that associating these dividends with interest on the bonds, investors will receive for their money returns that will make this company's securities exceedingly profitable property.

Financial Department

The financial department of the company has been placed with McLaren, Goode & Co., William Whitfield, manager, main entrance Commercial Club



Miss Harriet Gigray,

stenographer for the Florence Placer Mining company, subscribed for the first bond to be issued by the Gordon Falls Electric Manufacturing company. The financial department of this company has been placed with McLaren, Goode & Co., William Whitfield, manager, main entrance Commercial Club building, Fifth and Oak streets, this city.

Gordon Falls Splendid Water

The following telegram speaks for itself and tells the story of the unsurpassed water of Gordon Falls and sister streams passing through this remarkable town-site, soon to be the citadel of numerous factories and mills:

Hartford, Conn., July 9.—Charles Cooney, 311 Oak street, Portland, Oregon.—I believe Gordon Falls is the best location for a woolen mill and scouring mill in Oregon. The water is perfect, which is an indispensable ingredient for both. The climate likewise. E. Y. JUDD.

Mr. Judd is one of the largest dealers in wool and woolsens in America. His judgment is, therefore, certainly worthy of consideration.

building, Fifth and Oak streets, Portland, Or., and San Francisco, Los Angeles, Chicago, New York and London, who will receive subscriptions, and from whom bonds may be secured.

Carefully Organized

The Gordon Falls Electric & Manufacturing Company has been carefully organized and legally incorporated, and its bonds will be secured by all its property, consisting of 840 acres of valuable real estate, timber, building stone and the greatest and richest waterfall on the entire Columbia river, itself ample security for 10 times the amount of bonds we shall sell. All moneys received from the sale of bonds will be religiously devoted to the purchase of an electric plant and its installation, and conduct of its power to the various manufacturing which will be located at Gordon Falls City, among which will be one of the largest woolen mills or woolen cloth factories in the west, all appliances for which have been purchased, the company having secured the woolen mills now located at Pendleton, Or., for years famous for the excellence of their woolen productions. It is expected that mills and factories of many characters will be erected at this place, because of the low cost of power with which to operate them, superior shipping facilities, and the fact that labor will be so zealously cared for and so comfortably housed that workmen and their families will enjoy such contentment in this new city that the value of their services will be greatly enhanced, and strikes and labor turbulence will be a thing unknown. As has been well said by the Portland Morning Oregonian, we expect to and will build here an Utopian city, so fascinating to both employer and employe that the relations existing between them will ever be so friendly that the interests of one will be those of all.

1,000 MEN AND WOMEN WANTED

We will sell \$150,000 worth of 10-year 6 per cent gold bonds, in denominations of \$100 each, payable \$10 at time of purchase and \$10 per month until paid for. With each bond we will give the purchaser, free of charge, \$50 worth of stock of the company, which will give the buyer a share in the company's profits, and make him or her a partner in the corporation and interested in its success. It will likewise cement friendships between employer and employe, and be of mutual benefit to both. The \$100 bond will pay the owner \$3 in interest each six months, and in time, and not very long time, either, the stock will pay most generous dividends, but just how much we cannot at this time tell. There can be no doubt, however, that its returns will be very large, because the water that propels the electric plant will do its work at no cost at all, and never will complain or go on strike. It will be a great force working for nothing, and as every stockholder will be a member of the company, this water will be working for every holder of a bond. We are anxious, therefore, to dispose of 1,000 of these bonds to 1,000 working men and working women who will desire employment at or in our mills and factories—spinning yarn, weaving cloth, running machinery, working as blacksmiths, making excelsior, clerking in stores, cutting cordwood, making boxes, packing goods—filling all the multitudinous positions which will be open to the breadwinners of Portland or any other section of the country. We wish we could sell just ONE \$100 bond to EVERY employe of each of our mills and factories, to those who are employed on the outside and all other attaches of our enterprises. This would create a combination of interest—a UNION between employer and employe—a great partnership that WOULD SWEEP EVERYTHING BEFORE IT. There will be no "graft" at Gordon Falls. This shall be our shibboleth. We hope to build up an Utopian city at this wonderful point, and it can be done only when all hands stand upon a plane of equality that recognizes each other's rights and each other's welfare. BREADWINNERS OF OREGON, ARE YOU IN WITH US ON THIS PROPOSITION?

PROSPECTUS Immediately upon organization of the company it was desired to make public proclamation of its intentions, and that these might be completely understood, the following declarations of its management are herewith published:

ORGANIZATION.
The Gordon Falls Electric & Manufacturing Company is incorporated under the laws of the State of Oregon. It has a capital stock of \$250,000, all of which is fully paid and non-assessable. There is no limit to the time of its existence.

PURPOSES.
The Company intends to develop and utilize the water power known as Gordon Falls, on the property of the Company, to establish a townsite on its property, to sell and lease lands belonging to the Company for manufacturing, commercial and residential purposes, to erect and sell or lease buildings for business and residential purposes, to engage in the manufacture of woolen and worsted textiles, and in such other enterprise as from time to time may be determined to be feasible and profitable.

The property of the Company consists of:
1. Eight hundred and forty acres of land situated on the south bank of the Columbia river, and on the O. R. & N. Co., about 30 miles east of Portland, Oregon.
2. Three miles of water frontage on the Columbia river.
3. The absolute right to streams and waterfalls on the property of the Company, which are amply sufficient for the development of 1,200-horsepower, and for all domestic, manufacturing and other uses.
4. And when needed the Company owns several smaller streams, which when combined, can furnish 1,000 additional horsepower.
5. Twelve thousand cords of cottonwood timber. This is the only timber on the Pacific coast which is adapted to the manufacture of excelsior, for which there is an unlimited demand. The supply of the timber elsewhere is limited and rapidly becoming very scarce.
6. A large amount of standing timber suitable for piling and cordwood.
7. Building stone in unlimited quantities.

PLANS OF DEVELOPMENT AND UTILIZATION.

Electric Power.
It is the intention to begin at once the development of the water power, which careful estimates show will be very economical by reason of the available material and the short distance from the point of production to the point of consumption. The estimate, carefully compiled and revised, is as follows:

Itemized	Total Cost
Intake—Two rubble masonry dams	\$400.00
Racks, gates, etc.	500.00
Penstock—140 linear feet of 24-inch wood stave pipe at \$1.30	182.00
2,650 linear feet of 20-inch riveted steel pipe at \$1.20	3,180.00
One air valve at \$30.00	30.00
Power House—Frame building 30x40 feet (pile foundation)	4,500.00
Water wheels, governors, etc.	2,000.00
Generators, switchboards and transformers	2,000.00
Transmission Line—1.6 miles at \$700.00	1,120.00
Clearing and grubbing	600.00
Freight—500,000 pounds at 20 cents	1,000.00
Engineering contingencies and interest at 15 per cent	\$3,850.00
	\$3,112.00
Total cost	\$19,192.00

It will be seen from the foregoing that the initial cost of construction and installation, as compared with the development of the majority of other such enterprises, is very small, and will be an important factor in the net earnings of the Company.

Particular attention is called to the fact that the power will be delivered on the ground, and that no long, expensive transmission lines will have to be built and maintained.

h. Woolen Mill as an Initial Step.—The Company has made arrangements to purchase the famous Pendleton Woolen Mill, including all its trademarks, good-will, patents and advertising matter, etc., and will remove the plant to Gordon Falls, enlarge it to a three-set mill, equip it with the latest machinery capable of making most kinds of woolen goods, and besides continuing to make the world-famous Indian robes, the Company will make several lines of staple goods with registered trademarks. These goods will be all wool, and by all wool we mean all fleece wool—not shoddy, ramie, or cotton mixed, and any goods containing these substitutes will be so labeled and sold as such. This will give the people a chance to know what they are buying, and also give Oregon on the same she deserves as a state growing fine wool, and with its beautiful soft water and climatic conditions, as a place second to none in the world for the manufacturing of fine woolsens and worsteds, and we believe the day is not far off when Oregon will be noted as having a large textile town by the name of "Gordon Falls."

In this connection, the Company is very fortunate in having amongst its acting officers, first, an expert wool buyer; second, a first-class woolen manufacturer; third, a man well versed in the manufacture of fabrics and sale of same.

As soon as the work on the water power is under way, arrangements will be made to commence the construction of a suitable stone building for the manufacture of woolen goods. The approximate cost, based on careful estimates, follows:

Woolen mill machinery	\$16,000.00
Boilers	1,500.00
Freight	7,200.00
Allowance for contingent expenses, including sprinkling system for insurance protection, setting up and installing machinery, superintendence, etc.	10,000.00
	\$37,700.00

This industry will be augmented, from time to time, as seems best for the interests of the Company, by the addition of such branches of the business as can be handled advantageously and profitably, but at the outset it is the intention to manufacture only staple goods.

c. The Company owns and has under favorable option at lowest estimate, 12,000 cords of cottonwood timber. In order to utilize this valuable asset to the best advantage, it has been decided to erect an Excelsior Manufacturing Plant. The cost of such plant is given below:

Building	\$1,000.00
Machinery	\$5,000.00
Contingent expenses, such as freight, superintendence, installing machinery, etc.	2,700.00
Total	\$8,700.00

The cutting of wood for the purpose of supplying this plant will commence shortly and continue steadily thereafter. The plant will be completed as early as possible to commence operations, as an interval will be necessary to properly air and sundry the wood before manufacturing it into excelsior.

In order to care for the employes and laborers connected with the various enterprises, it will be necessary to erect a hotel, cottages, etc. The probable outlay for this purpose will be for the first year \$12,000, including the clearing of land, grading of streets and erection of buildings.

CONTEMPLATED OUTLAY FOR FIRST YEAR.

Recapitulation—	
"A" Electric power and light plant	\$39,192.00
"B" Woolen mill	37,700.00
"C" Excelsior manufacturing plant	8,700.00
"D" Hotel, cottages, etc.	12,000.00
Total	\$106,592.00

ESTIMATE OF PROFITS.

"A" The Gordon Falls Electric Plant, with a total capacity of 1,200 horsepower, at an average price of \$40 per horsepower per annum, would earn \$48,000.00. Less expense of maintenance, depreciation, etc., 10,000.00. \$38,000.00.

"B" Woolen Mill: A careful investigation and consideration of this subject shows that the minimum net profit per annum, after deducting maintenance, labor and all expenses, including depreciation, will be at least \$12,000.00.

"C" Excelsior Plant: The gross output per day will be 8 tons of excelsior at \$18 per ton, or a revenue per year of \$44,640.00. Less expense of cutting and hauling wood, labor to operate plant, depreciation, etc., 22,320.00. \$22,320.00.

Net profit \$50,320.00.

"D" Net income from hotel, cottages, etc., (estimated) \$2,400.00.

OTHER SOURCES OF INCOME.

In addition to the foregoing, the Company will sell and lease manufacturing and building sites from which a substantial yearly revenue should be derived and which is conservatively estimated at \$10,000.00.

PROFITS—RECAPITULATION.

"A" Electric plant	\$38,000.00
"B" Woolen mill	12,000.00
"C" Excelsior plant	22,320.00
"D" Hotel, cottages, etc.	2,400.00
Other sources	10,000.00
Deduct interest, insurance and general expenses	\$30,000.00
Total net profits	\$52,720.00

The net revenue from the first year's operations should not be less than \$18,000.00, and in three years' time, or less, the earnings should equal or exceed the estimate above given. It might be well to add that many other sources of income have not been taken into consideration as the desire is to be conservative in all statements and estimates.

FINANCIAL PLAN.

The total capitalization of the Company is Two Hundred and Twenty-five Thousand Dollars (\$225,000.00) all common stock, divided into 2,250 shares of the par value of One Hundred Dollars (\$100.00) per share. The Company proposes to issue first mortgage gold bonds, full paid and non-assessable, of the Company in the sum of One Hundred and Fifty Thousand Dollars (\$150,000.00), divided into fifteen hundred bonds of the par value of One Hundred Dollars each, to be secured by a trust mortgage upon the entire plant, assets and pro rata income of the Company. The bonds are to bear six per cent interest and to run ten years. The amount thus realized to be expended in improvements and to provide the necessary working capital. With the bonds will be given as a bonus an amount of stock equal to fifty per cent of the face value of the bonds sold. The trust mortgage will be a first lien on all of

the property and assets of the Company, and under its provisions all earnings will be pro-rated, a sinking fund to be provided for the redemption of bonds and the balance to be carried to surplus account.

CONCLUSION.

In summing up the advantages of the investment which is here offered, your attention is called to the following:

First—The Location of the Property is Most Advantageous from a Transportation Standpoint, and rates already given are the same from any of the Eastern points as to all Pacific Coast terminals. The Columbia River affords an all-the-year-around route, and freight can be shipped locally to Portland at a nominal figure. In addition with the fact that the location of the property will be particularly desirable when the upper Columbia River is opened for navigation, as is now assured, for with cheap power the site of the Company will be admirably adapted to the manufacture of flour and other mill products.

Second—The Oregon Railroad & Navigation Company, which passes directly through the property, is making a mill-in-transit rate, which will permit the utilization of the Company's site by a mill dependent upon the railroad for the supply of grain.

Third—The North Bank Road, which is just across the Columbia River from the property of the Company, can be used, as required, for all kinds of traffic.

Fourth—The insurance rate on manufacturing plants, etc., will be exceedingly low, as the water supply will be ample for fire protection, as well as for all domestic and manufacturing purposes.

Fifth—The climatic conditions are as near perfect as can be. No long, severe winter or extreme summer heat.

Sixth—The location is especially adapted for the manufacturing of worsteds, woolsens, and mohairs, as the raw materials are immediately at hand, and there being available an unlimited supply of pure, soft water, with the added advantage of climatic conditions, which cannot be excelled by any place in the world, Gordon Falls should soon take its place as one of the foremost centers of the industry.

Seventh—The water supply on the property of the Company is remarkably pure and cold and cannot become contaminated.

Eighth—Besides the factories that the Company will at once establish, arrangements are well under way, with bright prospects of success, for two more very responsible firms to establish factories that will bring a revenue to the Company for power alone of \$4,500 per year, as well as houses for their work people, will require light, water and fuel. Besides, the Company is in communication with several other firms and individuals, with good hopes of their building factories on the site.

The Company has determined to prohibit the sale of intoxicating liquors upon its premises, or the use of such premises for any immoral purpose, and all realty transfers or leases will be made subject to such restrictions, it being a fact beyond controversy that social and business conditions will be greatly benefited thereby.

Each family will be provided with sufficient land for a home garden.

As soon as practicable, a plan will be worked out which will permit all deserving employes to acquire an interest in the Company upon easy payments, so that each may participate in the profits arising from his own labor.

The Company will donate a suitable plot of land for park and recreation purposes, also for a gymnasium, and will encourage in every way clean, healthy sport.

Plans for all buildings to be erected upon land sold or leased by the Company will be subject to approval of the Company architect and the executive committee of the Company, as harmony in design will add greatly to the attractiveness of the surroundings, besides enhancing the value of all property.

ALL COMMUNICATIONS TO BE ADDRESSED TO

GORDON FALLS ELECTRIC AND MANUFACTURING COMPANY

320 COMMERCIAL CLUB BUILDING, FIFTH AND OAK STREETS PORTLAND, OREGON TELEPHONE MAIN 985 FINANCIAL DEPARTMENT—McLAREN, GOODE & COMPANY Main Entrance Commercial Club Building, Fifth and Oak