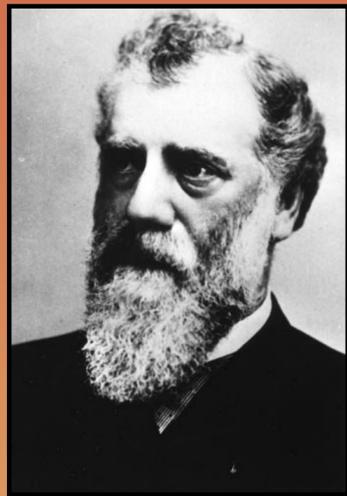


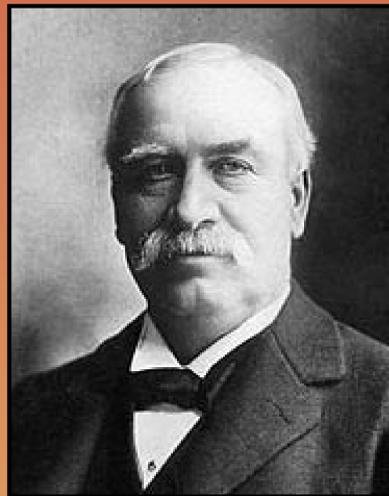
OREGON IRON & STEEL COMPANY



Works of the Oregon Iron & Steel Company in 1888: charcoal kilns (far left), railroad trestle from the mines to the stock house (center), and pipe foundry (far right). *Courtesy of the Lake Oswego Public Library.*



Simeon Gannett Reed
Courtesy of the Lake Oswego Public Library



Henry Villard
Courtesy of the Oregon Historical Society, OrHi 24230

Both Reed and Villard seriously underestimated the costs of their grandiose projects. Villard was heavily in debt to European investors for his railroad projects. Soon after the Northern Pacific Railroad was completed in 1883, he was insolvent. Reed traveled to New York in desperate search of funds. While he was there, the company's account was overdrawn and unpaid workers threatened to damage property. Unhappy with Reed's efforts to refinance the company, some of the stockholders sued him for mismanagement and misappropriation of funds. Although the suits were eventually dismissed, they took a toll on Reed and delayed construction of the furnace for four years.

A SERIES OF CALAMITIES

Unfortunately, success was short-lived. Soon after its peak year, the company was hit with a series of misfortunes. Chief among them were the high cost of producing charcoal, the low grade of local ore, the lack of nearby limestone deposits, and the high cost of shipping. Only one factor – wasteful litigation among the investors – could have been avoided.

The final blow came in 1893 when the nation was hit with one of the worst depressions in U.S. history. The Panic of 1893 was second only to the Great Depression of 1929. Thousands of businesses failed. The new furnace was blown out for the last time in 1894. Reed died the following year. Attempts to find a buyer for the furnace were unsuccessful and it was finally dismantled and sold for scrap in 1929.

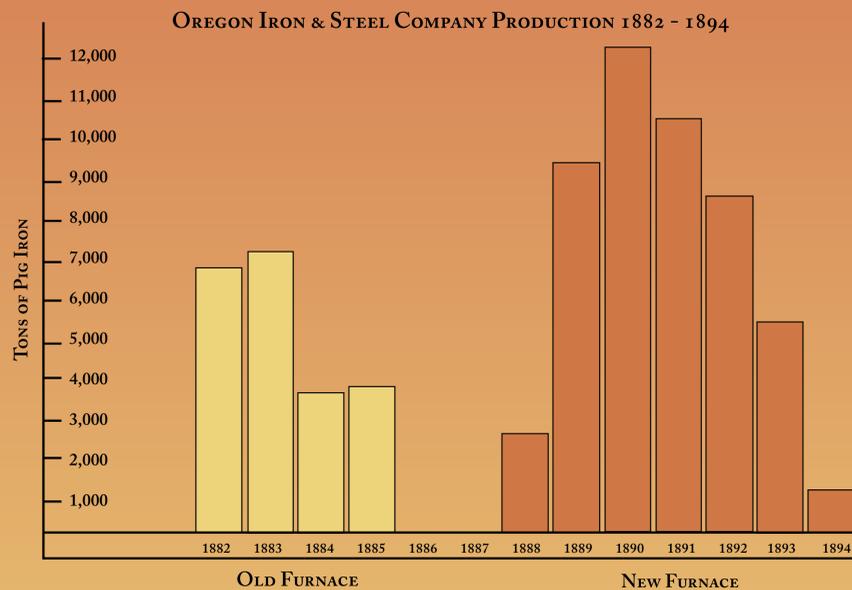
The pipe foundry continued to operate for thirty-four years after the furnace shut down. All told, the Oswego iron industry spanned a period of sixty-two years, from 1867 to 1928. When it closed, Oregon Iron & Steel owned nearly 24,000 acres in Oregon, Washington, and British Columbia. The company liquidated much of its property, but held onto the land in Oswego and went into property development, transforming Oswego from an iron plantation into an exclusive residential community.

EXPANDING OREGON'S IRON INDUSTRY

In 1888 the second of two iron-smelting furnaces in Oswego was erected near this spot. The first furnace still stands in George Rogers Park less than half a mile south. The Oregon Iron & Steel Company was the last of three companies to own the iron works in Oswego. The Oregon Iron Company and the Oswego Iron Company preceded it.

The Oregon Iron & Steel Company was incorporated in 1882. The company was, above all, the creation of Simeon Gannett Reed, whose estate founded Reed College. To finance his expansion of the iron works, Reed borrowed heavily from Henry Villard, president of the Northern Pacific Railroad. Reed and Villard were excited by the prospect of controlling a multi-million-dollar transportation system. Monopolizing iron and steel production on the Pacific Coast was a key part of their plan. They envisioned Portland as the center of an industrial empire.

The grand scheme included erecting two modern blast furnaces, a puddling mill, a rolling mill, a foundry, a nail mill, and a car shop to manufacture machinery and rolling stock for the Northern Pacific Railroad and the Oregon Railway and Navigation Company. Construction began in 1883. In the end only the furnace and the foundry were built.



FLEETING SUCCESS

The new iron works finally opened in 1888. No expense was spared on the facility. It included a blast furnace, a pipe foundry, and 42 charcoal kilns. The furnace belonged to a new generation of blast furnaces that could produce up to 50 tons of iron a day. Production rose rapidly and in 1890 the company enjoyed its best year, producing 12,305 tons of high quality charcoal pig iron.

