

## THE BOOM: OIL, POPULAR CULTURE, AND POLITICS IN ALBERTA, 1912-1

by Paul Chastko

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## “The Difference Between Poverty and Riches is Action!” Dreams and Reality of an Independent Oil Boom

*Between the two extremes represented by the geologist and the practical driller there is a happy medium. The geologist can indicate the best spots in a given area to drill for oil, but hardly in any case can he prophesy absolutely a profitable production, although he can sometimes be almost certain. On the other hand, we have the very large and efficient body of what one may call practical men, who have been in the oil prospecting and oil producing business for many years, and who declare that nothing but the drill can prove a given territory. It is a combination of these two branches of knowledge that should be aimed at by anyone entering upon work in a new field. Were the two points of view correlated and made use of, much money would be saved and the whole oil industry would be looked upon by investors with greater confidence.*

—*The Financial Post*  
February 7, 1914

It is one of the most emotive images of the first Turner Valley boom. Bob Edwards presented the discovery of petroleum as a stark choice between two competing visions of the provincial economy, environment, and society. In a pencil drawing of a farmer leaning up against a barbed-wire fence, two alternative futures are on display. On the farmer's right is a depiction of the province as it currently existed—bucolic countryside and an agrarian economy dominated by wheat as far as the eye can see, where the only

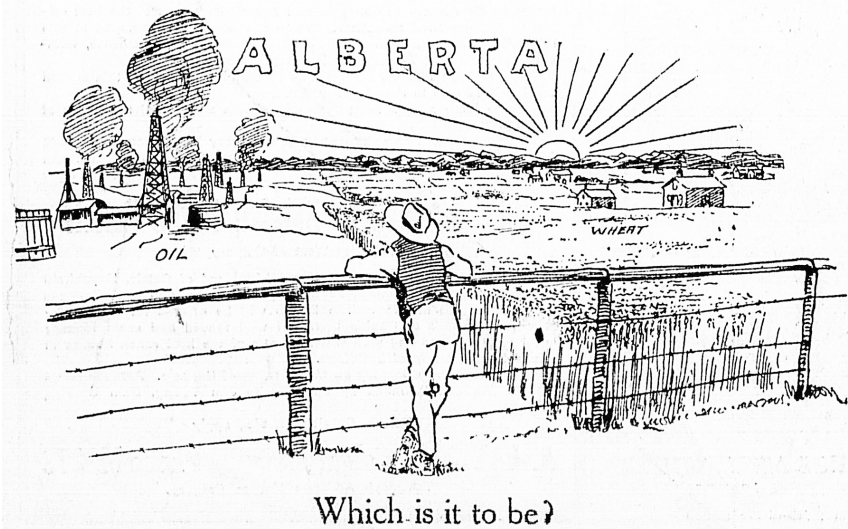


Figure 3-1 “Which Is It To Be?”

Bob Edwards’s cartoon presents the province’s choice between agriculture and petroleum as a binary option. (University of Calgary Libraries and Cultural Resources CU11540676)

buildings are rustic farmhouses and other outbuildings. On the left is a vision of a future dominated by the oil industry, where dozens of oil derricks, several of which are presumably gushing oil, dot the landscape. Significantly, the illustration hints at the repercussions and trade-offs for the economy, the environment, and society. Reflecting the economic transition taking place in Pennsylvania’s oil region following the discovery of petroleum in 1858, once productive fields now lie fallow. Off in the distance, the sun is either rising or setting—it is difficult to tell—on the scene, but perhaps significant is that the sun can be seen in the clear skies over the farm, while its rays cannot penetrate discharge—whether oil or smoke—launched into the sky by multiple derricks. The picture’s caption, “Which is it to be?” makes it clear that Edwards believed Albertans, like the farmer in the foreground, were on the cusp of a life-altering choice.

Another image, used regularly in the pages of *The Natural Gas and Oil Record* after its first appearance in the November 8, 1913, edition, suggests that a series of incremental decisions had already made the choice between agrarian and industrial economies alluded to by Edwards. Oil is presented as a part of a balanced regional economy but having global implications. The



Figure 3-2 “The Greatest Gift”  
 Transplanted  
 Winnipegger J.L. Tucker,  
 editor of *The Natural  
 Gas and Oil Record*,  
 consistently presented  
 petroleum development  
 as one part of a dynamic,  
 robust prairie economy  
 where oil and gas  
 coexisted easily alongside  
 agriculture.

capitalist looking at a world map contemplates Alberta’s oil as one part of a diversified economy that includes oil and wheat in addition to cattle ranching, coal, and manufacturing. Critically, the image also depicts the transformation wrought by the transportation revolution of the late nineteenth century—railroads and steamships powered by liquid fuels—and the significance of the Panama Canal (then nearing completion and opening in August 1914) providing Alberta products with outlets to global markets.

Calgarians, and Albertans generally, responded in a variety of ways to the prospect of fundamental change to political, economic, and social structures but also to the landscape contemplated by oil development. Some scholars have suggested that the petroleum industry constituted a radical departure from traditional Canadian patterns of metropolis-hinterland economic development described by historians Harold Innis, Donald Creighton, and J.M.S. Careless.<sup>1</sup> Advertisements for stock offerings, company prospectuses, editorials, and letters in local newspapers offer a window into the hopes, fears, and assumptions of various stakeholders regarding the first Turner Valley era. Such documents also helped establish the parameters of Alberta’s emerging oil culture in ways that built on or expanded earlier mythologies of “the West’s” transformative qualities. Indeed, many of the hundreds of thousands of immigrants from Europe, Ontario, and the United States coming to western Canada since the 1880s believed they could become self-reliant,

independent, and perhaps wealthy as small-scale ranchers or farmers. By the winter of 1913/14, oil had briefly replaced ranching and farming as a possible avenue of wealth.

The spectacular growth of the petroleum industry during the first two decades of the twentieth century defies easy comparison. Growing demand for crude and refined products—US energy consumption increased 250 percent between 1900 and 1920—sustained high prices and encouraged greater exploration and development.<sup>2</sup> The possibility of an oil strike produced a populist response from Albertans that manifested a deeply ingrained mistrust of concentrated wealth and prioritized the success of the common man. In this, Alberta's pursuit of an independent oil industry bore more than a passing resemblance to similar responses in Texas in the aftermath of the Spindletop discovery in 1901.<sup>3</sup> Ties between Calgary's urban business leaders and the landowning/ranching elites in its environs reinforced the prevailing view that small business owners were best positioned to serve the public interest. Unlike in Texas, however, where independent oil men relied on state and federal antitrust legislation to keep out large combinations like Standard Oil, Albertans relied on informal measures to sustain the independent character of the boom at this stage.<sup>4</sup>

As discussions between the members of the Alberta Oil Development Association revealed, Calgary's would-be oil barons dreamed of fame and fortune but remained acutely aware of their limited human and capital resources and were far from monolithic in their views. Some feared the large combinations, like Standard Oil, would shut them out of the field if given the opportunity. But other entrepreneurs, like Ira Segur, were prepared either to partner with or sell to Standard Oil from a very early date. Alberta's independents did not speak with a single voice. Crucially, their lack of cohesion and investment capital meant they could not translate their numbers into political power to bar the majors as they had done in Texas, precisely because they needed other people's money to fund exploration and development, or, as R.B. Bennett made plain in 1919, selling to Standard Oil was the only way they could salvage what remained of their investment.<sup>5</sup> Some promoters assumed they did not need special sources of expertise to make a fortune in oil; others readily embraced technical experts such as geologist Edward Hubert Cunningham Craig.

Although typically overlooked in earlier histories of the boom, Cunningham Craig played a pivotal role in publicizing the oil prospects of southern Alberta.<sup>6</sup> Between 1912 and 1914, Cunningham Craig served as a consultant, independent expert, and trusted commentator on oil developments in

Alberta because of his experience with major international oil companies. His specialized knowledge and expertise nurtured and sustained hopes about oil in Turner Valley. Newspapers and promoters as well as the British Admiralty and international investors sought his professional opinion and quoted him liberally, especially during the critical winter of 1913/14. Even sceptics about Alberta oil respected Cunningham Craig's contributions because his long experience compelled him to urge investors to behave cautiously and speak out against what he perceived as irrational speculation.

Significantly, newspaper editorials and advertisements both reflected and directed the community's emerging identity as a new group of socio-economic elites. At their core, the advertisements tell stories, sometimes idealized, about the company, the province, nature, and consumers, as well as about the past, present, and future. As ads for oil companies multiplied after October 1913, they influenced discussion in the public square. Some focused abstractly on oil's ability to provide personal freedom and security, while others dwelt on developing the requisite virtues of bootstrap individualism. Underlying all trends, however, lay the assumption of a vast and limitless oil field beneath Alberta stretching from Athabasca in the north to the international boundary with the United States. This was not merely a case that Alberta's soil held adequate supplies of oil and gas; local boosters brashly asserted supplies were so plentiful that, as historian George Colpitts observed in his environmental history of western Canada, natural resource wealth alone could sustain successive generations of Albertans and Canadians. "No theme," writes Colpitts, "became as integral to western promotion as natural abundance."<sup>7</sup> The celebration of dreaming big dreams provided by capitalism free from the shackles of monopolistic enterprises, and faith in both nature and natural resources as providers, were all common themes. As historian Brian Black has observed, in the late nineteenth and early twentieth centuries few stories were more popular than those of great wealth realized by natural resources. "The idea of the valueless become valuable filled every day with the possibility of locating one's fortune right beneath one's nose." Produced locally rather than by larger national agencies, the ads also reflect the emerging battle over resource development and how the debate evolved as companies responded to various events, such as the *Herald's* information campaign.<sup>8</sup>



In the winter of 1913/14, the unwelcome spectre of John D. Rockefeller's Standard Oil loomed uncomfortably over discussions. A few years earlier, Alberta newspapers followed with more than a passing interest the US

justice department's anti-trust case against the company and largely agreed with the conclusion that the company's operations harmed consumers more than they helped. Reprints of *The New York Herald's* exposés of Standard Oil's operations reminded Albertans of their experiences and complaints about the Canadian Pacific Railway. What resonated with Albertans was the way Standard dominated the industry with its ability to manipulate freight rates and monopolize refining. "The Standard Oil Company stands ready to buy every drop of oil produced at the wells for cash," noted one article. "It has built up its businesses to the point of practical monopoly and has paid thirty percent and more dividends on its stock for years." Observing that Standard did not care whether a flowing well was "a thousand barrel 'gusher' or a ten barrel 'pumper,'" the article asserted that the company remained ready to run a pipeline to the field even though "it may be many months, even a year or more, before that particular run of oil is sent through" for refining. The scope and scale of Standard's operations staggered the imagination. "Millions and tens of millions of dollars are thus tied up, invested in crude oil for future use—but the seller gets cash." Major trunklines constructed by the company were "as direct as if laid out with a ruler" and took no account of "rivers, hills, or even mountain ranges, they travel by the most direct routes to their destinations."<sup>9</sup>

As happened in many places influenced by the reach of Standard Oil, the US Supreme Court's ruling in May 1911 dissolving the trust received front page coverage in Alberta and across Canada.<sup>10</sup> When reporters followed up with enquiries about what the ruling might mean for Standard's operations in Canada, it prompted pessimistic conclusions from lawmakers that the judgment would not affect Standard Oil's operations "one iota," perhaps because the assumption was that oil corrupted politics. Standard Oil, said one prominent MP from Nova Scotia, already owned "everything in this country worth owning" related to oil, and the member seemed genuinely surprised to note that Imperial Oil was "one of the subsidiary companies" owned by Standard. Meanwhile, the Department of Labour, which served as the legal arm of the Dominion government responsible for reining in combines and trusts north of the border, claimed it had no official knowledge of Standard Oil's Canadian operations beyond what the newspapers reported. Some weeks later, one letter to the editor of *The Calgary Daily Herald* lamented that the US government had enabled "an octopus like the Standard Oil trust" to throw its tentacles "over the length and breadth of the land" to stifle all business and crush its opposition for as long as it did.<sup>11</sup> The looming issue was whether the

development of Alberta's oil would be done by the independent companies rather than a large combination.

Early in the twentieth century, a rudimentary definition emerged in the north American oil industry describing an independent as any oil company unaffiliated with Standard Oil; gradually it evolved by the 1930s to a more sophisticated one that distinguished between the scope and scale of operations of two types of companies—majors and independents. A major is a vertically integrated company capable of carrying out the four basic functions—production, transportation, refining, and marketing—of the petroleum industry. Independents, on the other hand, perform as few as one and as many as three of those functions. Differences in size, scale, and scope of operations reflect the number of companies that fulfill the criteria in each category. There are only a handful of majors compared to hundreds of independents. The sheer size of the majors also enables them to conduct business in multiple pools over one or more countries compared to the smaller independents, which tend to specialize in a single area. Another significant difference is that majors tend to be able to generate investment capital from their existing operations while independents raise capital through investors.<sup>12</sup>

For Albertans in the 1910s, “independent” primarily meant the company did not have any ties to Standard Oil. Furthermore, “independent” meant a company concentrated on exploration and production (with the possibility of moving into downstream operations later). More than anything else, “independent” implied a local company—with investment capital raised from outside the petroleum industry, ideally from private investors in the community so that southern Albertans would benefit the most from development. At the Alberta Oil Development Association meeting on November 27, 1913, W.D. Outman argued that the development of the oil fields of Calgary “will never become great as a transfer station for the Standard Oil. It is the success of the small man that will make the city.” Outman then concluded that “any man who prevents the small man from getting into the game is hurting Calgary.”<sup>13</sup>

Calgary newspapers reported every whisper about Standard Oil's agents inspecting the fields. Given William Davidson's more populist leanings, *The Morning Albertan's* editorial pages brooded on the rumour that the oil industry's largest integrated major would soon commence operations in Alberta; *The Calgary News Telegram* countered that Standard Oil would wait until small producers proved the field before assuming control. *The Morning Albertan* struck a defiant, but unmistakably pessimistic, tone based on the experiences of other small producers in the United States. If oil existed in

southern Alberta a monopolistic combination would enter the field and strangle the competition in the crib, harming the interests of the people. A couple of legitimate operators would become millionaires and a handful of “lucky” speculators would become wealthy. Davidson expected that a smelly refinery to marginally advance the city’s “commercial interests” would be the city’s enduring reward. All too soon, Rockefeller’s Standard Oil, or some other large monopoly, would take over the field.

Just as Ida Tarbell had described in her exposés of Standard Oil for *McClure’s Magazine* a decade earlier, *The Morning Albertan* suggested Standard Oil would crush independent operators. An Alberta industry dominated by Standard would impart no benefits. Oil prices would remain unchanged and real wealth would accumulate in the hands of as few as “less than one hundredth of one percent” of Canadians. Most galling, Standard Oil would benefit from the courage, sweat, and toil of other “legitimate” operators who risked everything to prove the field while Standard sat idly by. The editorial sighed that the entire system was flawed and blurted out that “the resources of the country should not be held up as prizes to the bold and lucky speculator, and to the rich monopolies of the earth. The people should have the wealth.” In the face of inevitable monopolistic domination, the government should take possession of the oil fields on behalf of the people. “The wealth belongs to every person. To permit it to be handed over to some monopoly, great or small, which will hold up the price to some fabulous amount, is ridiculous.”<sup>14</sup>

*The Calgary News Telegram* went a step further, arguing explicitly for the exclusion of Standard Oil and its interests from the field, and equated investment by Canadians in the emerging oil industry as an acid test of loyalty and patriotism. Coverage in the *News Telegram* emphasized that the Dingman discovery was the “result of scientific exploration” acquired since the beginning of the modern petroleum industry in Pennsylvania, which had “robbed” the field of “speculative hazard by men who know.” An editorial on October 25 argued this was hardly a case of nationalism for nationalism’s sake, but it certainly sounded like it. “Compel the Standard Oil combine to keep to the country of its origin and exploit its own industries and resources,” stated one editorial. “Canada has no room for alien trusts and octopuses of this caliber.” The resource bounty of Canada “must be explored and enjoyed by our own citizens and not exploited by aliens.” For the *News Telegram*, the only impediment to autarky was Canada’s lack of investment capital, and Canadian millionaires now had a moral obligation to invest in Alberta.<sup>15</sup> At the heart of this debate swirled the question of who would develop Alberta’s oil field: large,

# STOKES, STEPHENS OIL CO., LTD.



Figure 3-3  
“The Men  
Behind the  
Gun”

Stokes-Stephens ad highlights the masculine qualities associated with the prototypical “oil man” of the oil boom.

integrated companies, like Standard Oil or its Canadian affiliate, Imperial Oil, or small investors? The much-contested answer proved to be the first big clash of ideas in the public square regarding the boom.

The downside of relying on independent companies to develop the Alberta oil fields slowly emerged. Local entrepreneurs did not necessarily possess the requisite specialized knowledge, or experience of oil exploration and production, but nonetheless played up the importance of their stature to attract investors. Hoteliers William J. Stokes and Hough L. Stephens operated far out of their field of expertise but marketed shares in the Stokes-Stephens Oil Company based on the quality of their character, previous successes, and the proximity of their leases to those of other known companies. Within weeks, though, the two men hired California oil man Ira Segur to carry out day-to-day operations. Nevertheless, in a somewhat strange ad for the Stokes-Stephens Oil Company published in May 1914, illustrators prominently featured pencilled portraits of the two men “behind the gun” at the company. Setting aside for a moment that companies drill for oil rather than coordinate an artillery barrage, the ad nonetheless clearly reveals much about the

aggressive, and masculine, characteristics associated with Alberta's emerging oil culture. Both men were depicted straddling artillery pieces and firing their weapons—both spouting oil—at each other before it puddled on the floor.

Brothers Stephen and Francis Beveridge, who made their fortune in Calgary real estate, emphasized their business sense and deep roots in the community, convincing investors to assume both would translate into oil discoveries and ensure success. Their oil company, Rocky Mountain Oil Fields, organized in October 1913, seemed to run more like a real estate firm than an oil company. Rocky Mountain Oil Fields' prospectus revealed little understanding of the oil industry and reflected the bias of location from real estate. Part of Rocky Mountain's pitch argued that its 2,000 acres of leases surrounding the Dingman well alone were reason to invest. "These buildings [sic] are practically surrounded by companies now drilling for oil and they are geographically located so that, in the event of oil being struck in any one company, Rocky Mountain Oil Field[s] Limited will have lands in the immediate vicinity." With directors that included local luminaries like City Councillor Tappy Frost, rancher A.F. Landles, engineer J.C. Milligan, and tycoon George T.C. Robinson, the prospectus crowed that "the financial solidarity of the concern may be ascertained." While that may have been true, the prospectus failed to specify what kind of practical oil-finding experience Rocky Mountain Oil Fields could draw from.<sup>16</sup>

In the absence of specialized industry knowledge to convince investors of the soundness of their company, Rocky Mountain instead sold dreams. An ad campaign that ran between October 22 and November 10, 1913, highlighted the transition from one generation to the next implicit in discussions about the transformative nature of the West and differences between "old" and "new." The "old" economy of Alberta defined by ranching and farming and subject to periodic booms and busts of commodity prices was compared to the ability of a "new" industry, oil, to transcend economic hard times to fundamentally remake existing relationships between the metropole and hinterland. One ad from October 23, 1913, titled "Pessimists and Otherwise," emphasized the community's feeling of optimism and faith in oil compared to the tired pessimism of the old economic order, a feeling that in many ways illustrated the ability of oil to transform—if not completely overturn—existing economic relationships. In several respects, it was the natural progression of local boosterism practised throughout western Canada in the early twentieth century and deemed essential to ensure regional economic progress and prosperity. Border illustrations framing the ad drove home the point of generational change and renewal by depicting "OIL" as a young, clever man

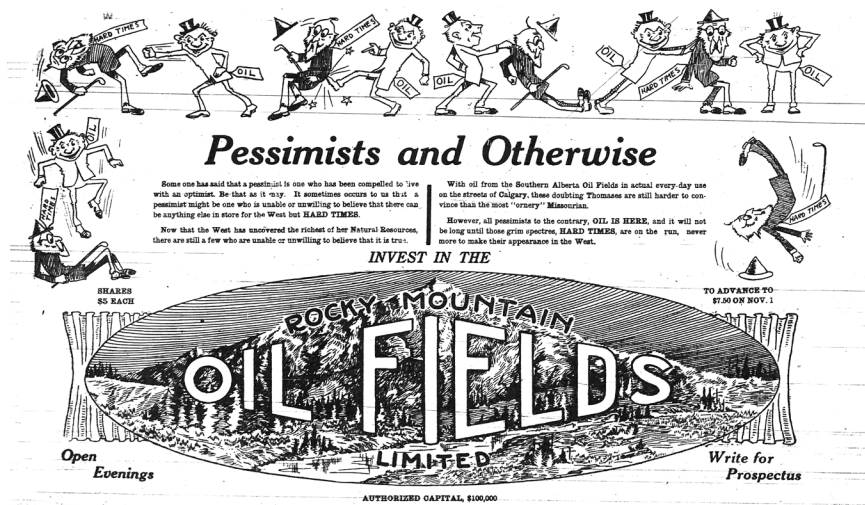


Figure 3-4 “Pessimists and Otherwise”

As tensions between the editor of the *Calgary Herald's* editor, James H. Woods, and the Beveridge and LeBourdais of Rocky Mountain Oil Fields escalated, this advertisement appeared, classifying those opposed to development as out-of-touch pessimists. In what might have been a coincidence, the caricature of “Hard Times” slightly resembles Woods. (University of Calgary Libraries and Cultural Resources CU1699923)

inflicting all kinds of mischievous violence on an older gentleman labelled “HARD TIMES.” “Some one has said that a pessimist is one who has been compelled to live with an optimist,” began the ad. “It sometimes occurs to us that a pessimist might be one who is unable or unwilling to believe that there can be anything else in store for the west but HARD TIMES.” But now that nature had revealed the full richness of Alberta’s natural resources, pessimists “are unable or unwilling to believe that it is true.” Even though retailers sold oil from the fields of southern Alberta, pessimists, the ad argued, denied reality, and refused to acknowledge forces, resources, and technologies bringing about the economic transformation of the region. But the ad declared, “OIL IS HERE, and it will not be long until those grim spectres, HARD TIMES, are on the run, never more to make their appearance in the West.” A variation on the Pessimists theme infused the “Are You Playing a Longshot?” ad, which used *The Calgary Daily Herald* as a foil by listing the factors in favour of investing against the advice of the *Herald*, which it described as “lone and lonesome” in its opposition to investing.<sup>17</sup>

While Rocky Mountain Oil Fields' ad campaign played on a few other themes over the autumn and early winter of 1913, they constantly returned to the theme that oil development assured a prosperous future. Early in the campaign, the "Okotoks Oil Field" ad claimed the discovery had already produced tangible benefits for the citizens of southern Alberta by loosening credit and shrinking the cost of living. According to the ad, the Dingman strike cut the price of gasoline from forty cents per gallon to thirty cents despite its limited quantities. With future development, the savings to consumers were bound to be larger and gasoline at thirty cents per gallon would be a distant memory as the prices for refined gasoline would assuredly drop. "[T]he time is near when THAT price will be cut in two as a result of striking oil in the Southern Alberta Oil Fields. Can't YOU see it coming?" Near the end of the campaign, partly as a response to the intensification of the debate around the flotation of oil companies, the focus shifted to the struggle of the independents over the majors. While Calgarians could content themselves in the ensuing general prosperity that petroleum wealth would bring, how much more satisfying—and rich—could they be if they supported the independents? Buying stock in an independent oil company and providing the necessary capital to prove the oil field was tantamount to civic duty. Oil would bring about a dramatic economic and social transformation from a sparsely populated hinterland to a modern industrial core. Without specifying how capital or expertise would transfer to the prairie province, the ad predicted there would be "huge refineries, large chemical works, steel plants" and every kind of large manufacturing plant coming to Alberta "because the various products of petroleum lead to the establishment of a great number of industries, and the development of the fields will call for many others." Oil meant well-paying jobs for thousands of men and women "who will come from the ends of the earth to make Calgary their home." It would mean many more profitable railroads to enhance Alberta's ties to the outside world. But most of all, oil would transform Calgary into a world-class city and Alberta into a populous province, brimming with a happy, and wealthy, people. The question that now remained was whether the reader would share in this future. Left unstated, at least in this ad, but present in others for Rocky Mountain Oil Fields, was the assumption that if left to the majors, development would not take place. "By drilling, and drilling only, will the extent and value of the Alberta Oil Fields be determined." Those investors who committed their cash were the steadfast pioneers of a new industry. "When oil is struck in large quantities the pioneers will reap their harvests. Stock in one of the present-day companies will be worth at least ten times its par value then." Future investment opportunities



Figure 3-5 Excerpt from “A Great Future”

Other ads, like this one from Rocky Mountain Oil Fields, emphasized the potential for oil to alter the regional and national economy. Note that Lady Liberty’s torch is illuminated by oil

might come along but the late investor would have little opportunity to profit. The ad also reflected how the *Herald’s* campaign required Rocky Mountain to switch tacks by adopting the slogan “Investigate and You Will Invest.” Ads with a different theme appeared in trade journal *The Natural Gas and Oil Record* on November 21, 1913. “A Great Future’s” imagery is striking. Lady Liberty’s lamp in the top left corner lit by oil. Merchant ships plying their trade on the world’s oceans belch smoke from their stacks fuelled by Alberta oil; motorcyclists and automobile drivers indulge in recreational motorsports secure in the knowledge that lower fuel prices prevail. The ad urges readers to think of the industries that would develop in Alberta “through the agency of Natural Gas and other by-products of the oil industry.” Unlike other “sickly” sectors of the Canadian economy requiring artificial protection provided by tariffs, the oil industry is a “strong, healthy” industry “indigenous to the soil” and “natural.”<sup>18</sup>

The reality, however, was that the majors enjoyed the *gravitas* that came with access to greater resources—human, material, technological, and financial—than most independent companies busily organizing in Alberta. Combining the practical experience and specialized knowledge of drilling hundreds of wells in many locations, the majors likely could do things that the

independents could only dream of. The love/hate relationship with “big oil” came to a head in the autumn 1912 when eminent British geologist Edward Hubert Cunningham Craig arrived to assess Alberta’s petroleum prospects and became, in the estimation of D. Austin Lane, secretary of the Oil and Gas Association of Alberta in the 1950s, a St. John the Baptist-like figure—“a voice crying in the wilderness”—regarding the province’s petroleum prospects.<sup>19</sup> If Albertans wanted to exclude “big oil” from developing the field, they nevertheless sought the larger industry’s stamp of approval to convince investors that oil existed in commercial quantities.

Cunningham Craig represented the emergence of the modern, technically sophisticated, specialized oil industry dominated by integrated oil companies—like Burmah Oil and Anglo-Persian Oil, both of which employed him at some point—with global operations. Born in Edinburgh, Scotland, in 1874 and educated at Cambridge, Cunningham Craig began his professional life as a cartographer for His Majesty’s Geological Survey in 1896 before promotion to head geologist five years later. Cunningham Craig left the Geological Survey for the private sector in 1907 but still served as an adviser to both the Royal Navy and the British government. In the estimation of historian Thomas Corely, “he possessed a richly-deserved reputation for being conceited, over-confident and disdainful of other people’s opinions.”<sup>20</sup> Geologist Arthur Beeby-Thompson, who worked with Cunningham Craig in Trinidad, described him as “a robust, healthy individual of Scottish descent,” predisposed to boast about his prodigious physical endurance. No one who worked with him ever doubted his abilities or intelligence, but it is unlikely he was a pleasure to work with. “Never have I met a scientist with greater conceit, self-confidence, and reluctance to listen to the views of others,” writes Beeby-Thompson. “Indeed, he never resented a charge of conceit. Craig never hesitated to dogmatise on any subject, and on principle he would find cause to disagree with any observation, even of quotations from his own reports.”<sup>21</sup> Granting an interview to the *Herald*, Cunningham Craig boasted that his opinion was so valuable that, while working in Persia as a consultant, a rival company hired assassins to kill him in order to gain a competitive advantage. “The competition among the oil development companies is there very keen,” he noted, “and all means, fair or foul, are used in the rivalry of trade.”<sup>22</sup>

In part because of his desire to bridge the divide between theoretical and field-based geology, in 1912 Craig published *Oil Finding: An Introduction to the Geological Study of Petroleum*. Billed as a common-sense, non-technical guide, the slim volume (190 pages of text, excluding index) blended the theoretical concerns of “scientists” and the practical observations of geologists

in the field to produce a new synthesis about petroleum geology. “So much nonsense has been written and published about oil,” claimed the book’s introduction, “that many vague but essentially erroneous ideas are current, if not actually accepted.” Cunningham Craig lamented that, in practical oil-finding efforts, geology found itself playing a secondary role to engineering. Even in leading textbooks on the subject, geology found itself dismissed, in Cunningham Craig’s words, “in a few carefully guarded and colorless paragraphs.”<sup>23</sup> Drawing liberally from his own experiences in the field, he hoped to move geology from the fringes to the centre of petroleum exploration. *Oil Finding* covered everything from the organic and inorganic theories about the origins of petroleum and its formation to discussions of rock formations and stratigraphy (the study of the origin, composition, arrangement, and distribution of successive layers of rock). The preface to the 1912 volume, written by Sir Thomas Boverton Redwood, an advisor on petroleum to the British government, suggested that the combination of common sense and technical know-how imparted by Cunningham Craig would enable individual geologists and laypeople “to form an independent opinion as to whether the technical data given in a prospectus are adequate” and allow shareholders in exploratory projects “to interpret reports of progress which at present they find intelligible.”<sup>24</sup>

*Oil Finding* covered its subject comprehensively, starting with one of the most vexing questions geologists had confronted for the previous fifty years—the origin of petroleum. By the early 1910s, geologists and chemists had advanced several different theories to answer that riddle, but none enjoyed widespread acceptance. Three main lines of argument dominated discussion of oil’s origins: organic, inorganic, and a combination of the two. Of the three, organic theories that argued petroleum resulted from the decay of plant or animal life were, by far, the oldest and most widely accepted explanation. Inorganic theories of petroleum’s origins traced back to Pierre Eugène Marcellin Berthelot, who created organic compounds by chemical manipulation. In 1866, Berthelot suggested that water containing carbonic acid, or an earthy carbonate, could produce oil and/or natural gas if it met metallic sodium or potassium at high temperature. In 1877, Russian chemist Dmitri Ivanovich Mendeleev published his theory that water, percolating down through fissures in the earth’s crust, encounters metallic carbides. Under extremely high pressure and heat, a chemical reaction takes place that produces metallic oxides and saturated hydrocarbons. The hydrocarbons ascend into the sedimentary rocks where they are found.<sup>25</sup>

Citing chemical, geological, and experimental evidence, the first chapter of *Oil Finding* argued that petroleum originated as organic matter—either animal or plant—and generated the most commentary from contemporary critics. The question of petroleum’s origins had clear implications for the search for new oil fields. If geologists did not know, or could not prove, “from what material and under what conditions petroleum is formed” how could they tell where to find it? “The geologist must consider why there should, or should not, be oil” in a particular formation.<sup>26</sup> Subsequent chapters on the process of petroleum formation and migration discussed how the combination of organic matter in the presence of water with the precise combination of pressure and temperature could explain the differences in grade and class of petroleum, thereby rounding out the theoretical discussion of the volume. The remaining five chapters turned to a more practical incorporation of field observations to finding oil fields. With examples from the oil fields of Trinidad, Baku, Venezuela, Mexico, Burma, Persia, Ohio, Pennsylvania, California, and others, Cunningham Craig distinguished between surface and structural indications of petroleum and discussed stratigraphy and where to locate wells, as well as including two guided lessons (for beginners) in Field Work and Indoor Work. These last two chapters expressed the hope that “here and there among them the beginner may find something that will help him in his practical work.”<sup>27</sup>

“It used to be one of the distinguishing points between the amateur and the professional geologist that the former was frequently content with the drawing of a horizontal section, while the latter always pinned his faith to a map, but nowadays the amateur is learning that in any case the map must be made before the section, and that nothing but a map will suffice.”<sup>28</sup> Cunningham Craig offered opinions about selecting the proper scale—“the smallest scale that is at the same time sufficiently large to admit of mapping in detail will be naturally selected . . . six inches to the mile”—equipment, and suggestions for mapping in rugged terrain. As for indoor work, the book suggested that two months in the field would require three weeks of indoor work to properly complete maps made from field notes. In his closing remarks, Cunningham Craig made the case that no other branch in geology offered a more promising future than the search for petroleum. “The life of the oil-finder, with its travel in many lands, its contact with many races, and its frequent change of scene, is, taking the rough with the smooth, a thoroughly enjoyable one.”<sup>29</sup>

Fast on the heels of *Oil Finding*’s publication, in 1912, Cunningham Craig arrived in Alberta at the behest of the McDougall-Segur company as well as

for Mowbray S. Berkeley and John W. Lea's British Alberta Oil Company; both sought his informed opinion on Alberta's oil prospects before committing to substantial investments. Of particular interest was Cunningham Craig's observation that many of the world's largest oil fields flanked and ran parallel to mountain chains, especially when they bordered great plains. Soon, he speculated that the eastern foothills of the Rocky Mountains contained oil deposits. The trip enabled him to complete field work, consult with the Geological Survey of Canada, and keep an eye on developments for the British Admiralty. Cunningham Craig's international reputation meant his appearance conferred immediate credibility to the field. On December 16, 1912, *The Calgary Daily Herald*, citing "one of the greatest experts in the world in oil prospecting—Cunningham Craig" wrote that indications of a rich oil field, "possibly the richest on the American continent, excelling even those of western Pennsylvania," lay just thirty miles south of Calgary.<sup>30</sup>

The rampant land speculation and stock sales that started in October 1913 following the Dingman strike seemed unnecessarily reckless to Cunningham Craig. Unfortunately for him, however, his well-publicized trips to Alberta and statements to the press seemed to encourage speculators despite warnings that discovering oil was far from guaranteed.<sup>31</sup> Furthermore, the carefully qualified statements issued by Cunningham Craig provided fodder for boosters and critics alike to suggest the internationally known geologist backed their position. Indeed, supporters pointed to his enthusiastic declarations that oil existed in Alberta to suggest that the province contained one of the world's largest oil fields. But they were frustrated when Cunningham Craig suggested he might forego issuing a comprehensive statement on the Alberta oil fields before returning to England in early November. "I have not finished my investigations yet, nor am I fully satisfied regarding the oil field in the southwest of Calgary," said Cunningham Craig on October 28, 1913. Citing the need for more time and information to fully form his thoughts, he suggested his statement would likely "take the form of an article in one of the magazines devoted to petroleum matters" to receive the widest possible audience.<sup>32</sup>

Cunningham Craig did relent before his departure on November 4, 1913, and issued a broad endorsement of the oil prospects in Alberta, suggesting that a substantial deposit lay underground in Alberta and that, in his opinion, it would likely justify a "big campaign of development." Cunningham Craig's statement elicited a giddy reaction from *The Morning Albertan*, then embroiled in the increasingly bitter feud with the *Herald* over its Flotations campaign, that his words "will warm the cockles of the hearts of many who

have holdings in the new district.” *The Victoria Daily Times* concurred, saying that Cunningham Craig returned to the Old Country “with a report which may give rise to one of the most phenomenal developments in southern Alberta ever seen in any portion of the world.” Citing a third party, the paper predicted Cunningham Craig would report “there is plenty of oil in Alberta” and that Alberta “is one of the most wonderful oil fields in the world.” However, the paper also reported that Cunningham Craig considered the depth of the oil pools the most challenging problem ahead. Believing that the oil sat roughly 2,500 feet underground, the paper pointed to a potential inconsistency; Alberta’s altitude of approximately 2,700 feet above sea level might influence the depth of wells before drillers encountered the pay zone. The Victoria paper wondered, “Is it necessary to get below sea level to find any big supply of oil?” Given that reports suggested the Dingman well encountered oil at approximately 1,500 feet, they estimated the drill bit needed to go down at least 3,000 feet.<sup>33</sup>

Meanwhile, critics like *The Montreal Gazette* pointed to Cunningham Craig’s more cautious conclusions that “only a small percentage of the leases now filed upon will be of any commercial value.” Perhaps more sobering for the *Gazette* was his evaluation of Alberta’s anticlines as “small, narrow ones.” Based on his conclusions in *Oil Finding* that wells drilling outside the anticlines likely had no oil under them at all, the *Gazette* wondered, “Is this a fair basis on which to ask people of moderate means to put money into heavily capitalized companies?”<sup>34</sup> Although he did not intend it, summaries of Cunningham Craig’s positive public statements began appearing in a number of ads, circulars, and letters for newly formed oil companies, including Rocky Mountain Oil Fields, Standard Oil Fields, and Black Diamond Oil Fields. Stockbroker Julian Langner invoked Cunningham Craig’s authority in attempts to sell stock in the Peerless Oil Works by claiming that lands acquired by the company “have been FAVORABLY REPORTED UPON BY MR. E.H. CUNNINGHAM CRAIG.”<sup>35</sup> The ubiquitous use of Cunningham Craig’s comments by other oil companies eventually compelled Mowbray Berkeley to threaten legal action against companies citing Cunningham Craig.<sup>36</sup>

Back in London, Cunningham Craig released a letter in *The Oil News* (London) that highlighted development at the Dingman well over the past year. Noting that many “have heard a good deal about it,” Cunningham Craig referenced the wild rumours that meant people were inclined to disbelieve everything they heard. But he wanted to assure readers that he had visited the well site “before any plant was on the ground” and visited again after the strike in October. While Cunningham Craig believed Calgary Petroleum

Products could find the heavier oil, he warned that “they may have to go some distance.” His professional assessment of the field would have to wait another occasion, as he was still going over the data. Nevertheless, there was great excitement in Calgary. The letter closed by referencing the explosion in land sales and creation of companies. “You might warn speculators who have filed on ground all over the place that very few have any chance of finding their leases productive.” Referring to Cunningham Craig’s international reputation, the editor of *The Oil News* assured readers that they could read the assessment “with confidence,” but also drew “special attention to the warning he gives against rash speculation.”<sup>37</sup>

Guarding against “rash speculation” proved easier said than done, especially during the gloomy winter of 1913/14. The prospect of an oil discovery provided a much-needed reprieve from reality and offered people the chance to dream of future prosperity. As if Calgarians needed more reminders that petroleum was an international business with local implications, some companies used this to their advantage to encourage more investors to buy stock. A full-page ad taken out in the *Herald* by Herron-Elder on December 4, 1913, emphasized the increasingly complex connections in communications, transportation, and business the city had with other parts of the world and the evolution of the global economy. With oil being an international business with multiple competitors clamouring for a share of the market, the ad drove home an inescapable reality—competition between companies carried international implications:

When that magic message flashes to the uttermost ends of the earth from CALGARY in the next few weeks—perhaps in a few days—even **hours**—then will the great rush be on in dead earnest.

Multitudes will flock to Calgary then.

The wires are all laid.

The scene is well set.

Watchdogs are all on duty—**here and now**.

The drills are busy day and night.

Other drillers, too, who **mean business**, are on the way.

**The big oil treasure will be struck—and soon.**

And everyone with an ounce of information or intelligence, of knowledge or skill, believes it will be **BIG**.

Telegraphs span all the continents, and touch every centre in the whole civilized world.

Cables are laid under all the seven seas of this rapidly evolving globe.

Microorganisms vibrate through all the oceans of air around this earthly planet.

Everybody, **everywhere**, is in touch with **Calgary**.

All eyes are upon **us**.

Everyone is waiting for a trusted whisper from **here**.

**Those five words, “strike of oil, big flow,” with a Calgary dateline,** will set the whole human race agog.

The world and his wife will grab the grips and flock here from afar.

The big CPR hotel here will be filled to overflowing as by magic.

Strangers from far and near will fill all the vacant rooms in town.

Empty office space will have to house the homeless.

**Good oil stocks will shoot upward.**

Sky high they will **soar**.

“Curb” markets will be held—and crowds of eager buyers will attend.

But the “buying orders” from London, New York, Berlin, Paris, by **night** wires “**day rate, rush,**” will be ahead of **you**.

Europe is awake while Calgary sleeps.

Even the “Orient” will have bought while Calgary slumbers.

You will be “out” then if you are not “in” now.<sup>38</sup>

Calgarians eagerly awaited Cunningham Craig's formal assessment of oil prospects in Alberta. Finally, early in the New Year, the *Herald* announced that he would deliver an address to the Royal Colonial Institute in London on January 21, 1914.<sup>39</sup> Attended by a number of oil experts and government officials, the forum allowed Cunningham Craig to advance his argument that oil originated from terrestrial vegetation and place "the incontrovertible geological facts" before his audience that Cretaceous formations (the Dakota and Kootenay), not Devonian limestone, were the primary oil-bearing formations in western Canada. His address began by referencing a similar speech he had given seven years earlier on the development of Trinidad's oil fields. Although Trinidad's prospects were much maligned at the time of his speech, Cunningham Craig reminded the audience its wells now produced flowing oil at 20,000–40,000 barrels per day. Now the only lament expressed in Britain regarding Trinidad was that the best successes belonged to a US-based company. "No patriotic Briton or Canadian can regard with indifference the possibility of the history of new oil fields in Canada taking a similar course."<sup>40</sup>

A brief sketch of the Ontario industry quickly segued to "a new field that I wish to call to your attention this afternoon, newer geologically, and so new practically that it has yet to be proved." Cunningham Craig acknowledged that the Royal Navy was "at least partially" committed to the use of fuel oil but faced stiff global competition for supplies. More worrying was the fact that global consumption of oil, and its price, continued to rise. In Canada, declining production in older eastern Canada made developments in Alberta critical. Years before, Cunningham Craig became convinced "on purely theoretical grounds" that the eastern foothills of the Rocky Mountains "probably" contained oil fields. Visiting Canada in 1912 and working with the Geological Survey of Canada and "practical oil men," like Ira Segur and William Herron enabled him to buttress academic conjecture with practical field work. He then guided the audience through a summary of the three geological conditions required to produce an oil deposit with commercial quantities contained in *Oil Finding*. First, a formation with "a sufficient quantity of organic matter from which oil can be formed." Second, strata that "contain porous rocks capable of acting as reservoirs for liquid hydrocarbons," such as sandstone, overlain by impervious rocks, like shale or clay, in sufficient depth to seal the oil reservoirs and prevent the loss of gas pressure. Third, that the strata should be in large enough size to concentrate liquid hydrocarbons into definite locations beneath the surface. For this, a dome, or anticlinal structures, "are almost essential."<sup>41</sup>

In western Alberta, Cunningham Craig credited the GSC with identifying a promising formation 3,800 feet thick showing evidence of “having been deposited in a comparatively shallow sea.” Composed of seven strata of rock of varying thickness, the deepest parts of this formation—the Dakota and Kootenay—lay exposed on the western belt of the foothills, but later groups covered them to the east and “do not crop out again except over a large area on the Athabasca and Peace Rivers.” A broad and gentle syncline 140 miles across extended to the east of the foothills and an equally broad and gentle anticline followed. Cunningham Craig observed that the formation was so subtle that only “dealing with very large areas of land” made it clear.<sup>42</sup> Noting the GSC’s 1913 report surmising that western Canadian petroleum originated in the Devonian limestone, Craig emphatically stated that “all traces of petroleum in this province of Alberta are indigenous to the Cretaceous formation, and had the origin of oil from terrestrial vegetation been more widely known, there could never have been any doubt upon the matter.” Specifically, Craig believed the oil had formed in the carbonaceous beds of the Kootenay group where coal beds existed. “The same material under the requisite conditions of sealing and pressure may be converted into oil.”<sup>43</sup>

The challenge for petroleum hunters in Turner Valley, according to Cunningham Craig, lay in finding locations where the Dakota and Kootenay groups are not too far down but are far enough away from their outcrops where geological structures capable of concentrating petroleum existed. Ideally, the optimal location would also have all the necessary human and material resources to facilitate development—a good water supply, a population centre, and transportation infrastructure—nearby. Then, with an understated confidence, he delivered the punchline—“All these conditions we find in the foothills west and southwest of Calgary.” Cunningham Craig anticipated that the broken nature of the formation presented some challenges. The anticlines were more symmetrical to the east, but exposed shales often sharply folded parallel to the main axis and even contorted, “making the structure appear very complicated.” Nevertheless, he had every confidence that the complication was “more apparent than real; these are to be regarded as minor puckerings on broadly anticlinal areas.” Drillers need not worry about the broken formation, for Cunningham Craig believed that much sharper, and deeper, subsidiary folds existed in Persia and posed few problems to drillers. While not every part of the field contained favourable structures—toward the south “the favorable structure dies out”—mapping “proves that in several localities excellent anticlinal structures do occur.”<sup>44</sup>

Summarizing recent developments of the drilling program of Calgary Petroleum Products and McDougall-Segur, Cunningham Craig noted that both companies were located to give the best results without deep drilling. Both firms struck gas at shallow depths, and Calgary Petroleum Products encountered strong gas at several horizons until, at 1,562 feet, the well made “a very remarkable show of oil, accompanied by very strong ‘wet’ gas.” Admittedly, the show of oil was minor—“at best, only a few barrels per day”—but Cunningham Craig remained doubtful that either well reached the Dakota group, where he believed they would strike the main reservoir. “Alberta,” he noted, “is a country of great distances, and it may take many years before complete geographical data are to hand.” Nevertheless, Alberta enjoyed all the essential conditions required for a large oil field. Indeed, he speculated that petroleum deposits covered practically the entire province, from the Athabasca River to the south of Calgary. Further to the east, the anticlines were gentler, and Cunningham Craig necessarily believed they required deeper drilling. The real promising formations lay to the north. “The weathered outcrops of the Dakota group on the Athabasca River contain heavy asphaltic oils, [and] the evidence from the Dingman well suggest that any oil struck in the foothills in rocks of the same horizon will be a paraffin base and [of] much greater value.” The difference between the oil sands in northern Alberta and the naphtha produced by the Dingman well owed to “the different conditions of temperature and pressure in which the petroleum in each case has been formed.”<sup>45</sup>

Building toward his conclusion, Cunningham Craig tackled the question of the Calgary boom directly, observing with slight exaggeration that nearly everyone in the city filed for mineral rights for thousands of land sections. Dominion regulations made it easy to apply for oil leases, but keeping them was a different matter entirely. “Trafficking of licenses and leases is rife among speculators who are not able to defray the heavy expenditure necessary [for] development work.” However, the Dominion government would revise the regulations to address the problem. But these changes could not erase the damage done. “Oil leases are on sale in shops and offices throughout the city, and are practically being hawked about the streets. And it is no exaggeration to say that probably not ten percent of those who hold prospecting licenses have any sound reasons for determining whether they are of value or worthless.” When he left Calgary in November, Cunningham Craig noted that sixteen companies had formed to develop the oil fields. Undoubtedly, more had emerged in the interim. Some immediately sold stock before making any test to determine if the land they held was worthwhile. “There will

be admitted on all hands that such procedure is greatly to be regretted, as the legitimate and carefully organized enterprise is discredited when a host of speculators are in the field doing their best to unload their holdings and the responsibilities upon the public." Most of those companies would fail, predicted Cunningham Craig, because they rushed headlong into development and did not carefully select their sites. Because of this collective failure, he warned that losers would outnumber winners by a wide margin and their failure would harm the handful of companies that went about the work more methodically. Despite this reality, he looked to the long term: "If as much as one percent of the land taken up on prospecting licenses proves to be profitable and productive, Canada would own one of the world's greatest oilfields, an asset to the Dominion and to the Empire of enormous value." A few months of drilling in 1914 "should be sufficient to settle once and for all whether the present excitement has been justified or not, and whether the Empire is to be the richer by a great and growing industry in the development of an oilfield that may eventually rival that of California."<sup>46</sup> Given that annual production from California wells reached nearly 100 million barrels, Cunningham Craig's assessment would cause a stir.

Coverage of the speech evolved as more complete copies of the text arrived over the next two weeks. A preliminary cable provided papers with a synopsis of the address on January 22, 1914. Partial, and then full, texts arrived on February 4 and February 7, 1914, respectively. Among papers more critical of the emerging boom, coverage remained relatively consistent. The *Herald* praised the address as a calm and realistic appraisal of the oil situation in Alberta by "the leading authority in the world on the subject." The paper further pronounced that "three conclusions are irresistible" in the aftermath of Cunningham Craig's statement. First, that oil existed in Alberta "in commercial quantities." Second, that much of the exploratory work done to date "has been futile," and that much of the exploratory work underway "will be unprofitable." Finally, that the *Herald's* campaign against the flotation of oil companies was "more than justified by investigations and development." Developing an oil field "is not child's play and the chances against individual success are very heavy."<sup>47</sup> The *Vancouver Daily World* reported that Craig, whom it believed "largely responsible for the Calgary oil boom," maintained that he confirmed an abundance of evidence indicating oil existed in the foothills of the Rockies but it "could not yet be regarded as a certainty." Of greater concern is the "mischief" done by speculators, the majority of whom would prove failures.<sup>48</sup> The *Edmonton Journal* noted that he "criticized very strongly" the prospecting taking place but "was more than hopeful as to what

could be accomplished by proper methods.” London papers now carried stories about credulous investors in England buying plenty of Alberta oil stock when a cablegram alleging that “oil has been struck at Calgary in commercial quantities” circulated. The *Journal* lamented that the *Herald’s* flotations articles tamed the wildcatters in Calgary but could not do the same in England.<sup>49</sup>

Relentless optimism characterized the *Albertan’s* initial coverage, as that paper seized on Craig’s statement that if 1 percent of leases produce oil “this will be the greatest oil field in the world, which is not so bad. Of course, if we get oil on 75 percent of the claims upon which we have filed, Alberta will have an oil area seventy-five times as big as any other country in the world.”<sup>50</sup> But as the full text became available, the *Albertan* moderated its enthusiasm, especially considering Cunningham Craig’s sobering warnings about rampant speculation and the failure of previous exploration efforts. On February 7, the *Albertan* walked back some of its earlier enthusiasm, claiming that the cable extracts sent on January 22 “did not do justice to the full report.” Nevertheless, the *Albertan* characterized the report as optimistic, mostly because of what it did not say. “He is not sure that there is oil in the district in paying quantities. There is nothing in the formation to lead him to believe that it is impossible that southern Alberta will not be a second California. He does not say that Alberta oil fields will be a phenomenal success.” Overall, the *Albertan* claimed the report was useful.<sup>51</sup>

By March 1914, seven companies—McDougall-Segur, Calgary Petroleum Products, Black Diamond, Southern Alberta, Federal, Western Pacific, and United Oils—drilled for oil in the “Calgary District.” The sheer number of companies prompted the *Albertan* to optimistically predict that as many as twenty companies would be drilling within the next three months. The expansion of independent drilling, and the arrival of spring, brought changes to the tone and tenor of some companies’ advertisements, many of which tapped into previous schemes to sell mining stock to the public. “The trick,” writes historian Michael Bliss, “was to issue huge numbers of shares in very low denominations—a dollar a share or even penny mining stock—and then promote the speculation as virtually riskless.” The problem, as Bliss concludes, is that “the line between selling and swindling was almost non-existent.”<sup>52</sup>

Piedmont Petroleum Products, for example, billed themselves in their ads as the oil stock “for the man with little money” and likened stock speculation to a lottery where everyone who invested wins. “Buy oil shares at 10 cents,” implored Piedmont, pitching their sale to lower income investors with a limited issue of bargain shares that promised big returns and almost no risk. “When oil is struck it will go to at least par, and many times more.” The



# First Public Offering of OIL STOCK



**FOR THE MAN WITH LITTLE MONEY**  
(ONLY A LIMITED ISSUE AT THIS PRICE)

Subscription Books open Saturday, May 16, at 11 a.m., and positively close at 9 p.m.  
After that date no more at the opening price

## Piedmont Petroleum Products Co., Ltd.

**Non-Personal Liability**

**Capital \$2,500,000**

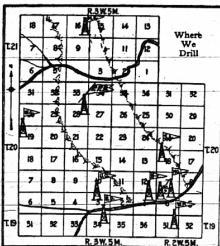
**Non-Assessable**

**Solicitors:**  
Lougheed, Bennett,  
McLaws & Co.

**DIRECTORS**  
O. E. Culbert, Esq., Barrister, of the firm of Lougheed, Bennett, McLaws & Co., Calgary  
M. W. Herron, Esq., Gentleman, Calgary    Geo. Reynolds, Esq., Oil Expert, Calgary  
C.A. Owens, Esq., Broker, Calgary    D.M. McLean, Esq., Lumberman, Calgary  
J. E. Herron, Esq., Oil Broker, Calgary

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Here's an opportunity for the man with little money. Buy oil shares at 10 cents. When oil is struck it will go to at least par, and many times more. Only a limited amount at this price, and only open for subscription Saturday next from 11 a.m. to 9 p.m. Ten dollars secures one hundred shares. Fifty dollars secures five hundred shares. Two hundred dollars secures two thousand, and so on. Small subscriptions are preferred, as it permits every one the opportunity of securing some interest in the oil possibilities.



The company is now negotiating with drillers for immediate operation, and as development work continues the price of stock will advance proportionately. This company's lands comprise some of the choicest in the Okotoks district. Over 7,000 acres located in the heart of active development.

All of these lands were filed on prior to the October discovery, when the locators had the pick of the country. Nine different wells now on the way to oil, and the indications the most favorable for an early strike. Fully paid one dollar shares at 10c per share for ten hours only Saturday next. From present indications it would appear that this issue will be over-subscribed, and allotments will be made only in the order as applied for.

**10c PER SHARE**  
Non-Personal Liability  
Non-Assessable  
Par Value \$1.00

### Holdings of the Company

All Sec. 20 Twp. 20, Range 3, West 5th Mer.  
L.S. 4 & 5 Sec. 21 Twp. 20, Rge. 3, West 5th Mer.  
L.S. 9 & 10, Sec. 21, Twp. 20, Rge. 3, West 5th Mer.  
All Sec. 22, Twp. 22, Range 3, West 5th Mer.  
All Sec. 20, Twp. 22, Range 3, West 5th Mer.  
All Sec. 18, Twp. 22, Range 4, West 5th Mer.  
N. 1/2 Sec. 20, Twp. 22, Range 3, West 5th Mer.  
S.W. 1/4 Sec. 20, Twp. 22, Range 3, West 5th Mer.  
All Sec. 22, Twp. 18, Range 3, West 5th Mer.  
All Sec. 21, Twp. 18, Range 3, West 5th Mer.  
All Sec. 14, Twp. 18, Range 3, West 5th Mer.  
All Sec. 2, Twp. 18, Range 2, West 5th Mer.  
All Sec. 10, Twp. 19, Range 1, West 5th Mer.  
All Sec. 2, Twp. 19, Range 3, West 5th Mer.  
All oil and gas rights on 7,000 acres located amidst the heart of active development. If one fourth of this land "proves up" a few Piedmont shares will be worth a small fortune.

Figure 3-6 Piedmont Petroleum Products Company Ad

Piedmont Petroleum Products targeted small investors with a limited time offer of shares at ten cents and virtually guaranteed a tenfold return on investment "when oil is struck [shares] will go to at least par [\$1.00], and many times more." The company held mineral rights for 7,040 acres and projected that if a quarter of the leaseholds contained oil, "a few Piedmont shares will be worth a fortune." (University of Calgary Libraries and Cultural Resources CU1300898)

ad assured potential investors that “small subscriptions are preferred, as it permits every one the opportunity of securing some interest in the oil possibilities.” A second, more insistent, ad by Piedmont ran the next day, this time urging potential investors to dream big and believe in oil and the market delivering a future of wealth and prosperity without any risk. “Oil shares purchased at ten cents each have been known to ‘go’ as high as \$1,800.00 each,” cooed the advertisement, subtly implying that even a minimal investment could produce staggering returns. Even if the Piedmont well was a small producer, the ad reassured potential investors that “the stock will pay mammoth dividends on par value. That means an increase of ten times the opening price.”<sup>53</sup>

Scholar Frederick Buell describes the emergence of a “culture of extraction” associated with petroleum development that distinguished it from other extractive industries. Unlike the capital-intensive nature of coal mining, which required a large labour force working underground, oil offered “immense reward for little investment and less hard labor.” Once tapped, oil rose under pressure to the earth’s surface, eliminating the need for miners to go underground. What could be easier? Furthermore, Buell points to Ida Tarbell’s notion that oil extraction signalled a return “of the old epic-heroic ideology of democratic, self-reliant, community- and nation-building individualism.” In 1938, Tarbell observed that many involved in oil extraction saw themselves as “men of imagination who dared to risk all they had on the adventure of seeking oil.”<sup>54</sup>

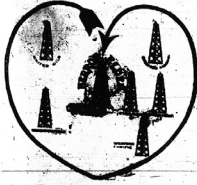
One of the most evocative ads that embodies many of these themes was one for Herron-Elder published on May 16, 1914, emphasizing oil’s recent history of creating instant millionaires in California, Texas, Oklahoma, and Russia. But it also emphasized the importance of personal choice and individual courage; everyone had the opportunity to act but only a select few would. For readers of *The Morning Albertan*, the Herron-Elder ad proclaimed, “This time opportunity pauses at YOUR door. Will you sleep on or will you act NOW?” In a sidebar to the ad, the company offered a “near parable” about two fictional people, Jones and Smith, each of whom had a dollar. “Jones” saved his money by putting it in his sock and “passed under the judgement of the non-producer.” “Smith” sought to invest his dollar and believed that “Nature is the only real producer” and that “Natural Products have been and always will be the greatest boon to mankind.” Though he lacked any specialized skills or training, Smith possessed faith in the combination of nature and the free market and “invested his dollar in Nature’s gift—Oil.” The short parable then delivers its punchline with a wallop. Jones’s example of thrift and savings represents no virtue worth celebrating; only wasted opportunity

and regret. No traces of the man with the dollar in his sock remain. Jones is, at best, forgotten, at worst a “bad example,” someone who lacked vision, faith, or courage. Smith’s entrepreneurial spirit and belief in oil’s transformative powers, on the other hand, merited celebration. Smith “is hailed as one of the nation’s great. He lives on the fat of the land and is honored because he had faith in Nature.” Lest anyone doubt the high stakes presented by this choice between faith and maintaining the status quo, the ad said bluntly to “ask Rockefeller,” then one of the world’s wealthiest men and often invoked in the oil advertisements of the time. The moral of the parable and its celebration of rugged individualism, personal responsibility, and the miracle of oil is as clear as its title: “The Difference Between Poverty and Riches is Action!”<sup>55</sup>

For close readers with even a passing awareness of Herron’s background and the events since the founding of Calgary Petroleum Products, it was obvious that the person of “Smith” was how Herron saw himself: as a visionary entrepreneur unafraid of demanding work, and humbled and in awe of nature. Perhaps the ad also betrays the lingering whiffs of resentment about his exclusion from Calgary’s elite, and Dingman’s power play at the shareholder’s meeting that left Herron off the board of directors despite his 25 percent stake in the company until February 3, 1914, when Sir James Lougheed and others forced a motion through giving Herron a seat.<sup>56</sup> Friction then spilled into the courts in the following days as Dingman sued Herron and his daughter for \$750,000 (\$20.1 million today, adjusted for inflation) over contested leaseholds. As this came fast on the heels of a separate bruising battle over the location of a second well (won by Dingman by steamrolling his partners), it appeared Calgary Petroleum Products would tear itself to pieces.<sup>57</sup> Considering that recent history, the advertisement is thinly veiled wish fulfillment projected on the citizens of Calgary wherein Herron—and investors with the courage to join him—attains the independence, prestige, and financial security provided by oil. It proved to be an incredibly effective campaign. When Herron-Elder closed its subscription at nine p.m. on May 20, 1914, the company’s shares were oversubscribed, ensuring that Herron-Elder could finance a well, making it one of the few Calgary-based companies to drill a well during the Turner Valley boom.<sup>58</sup>

Decades after the boom, Calgarians repeated the (supposedly) true story of a man who suffered a nervous breakdown and was sent to the provincial sanatorium at Ponoka. Discharged on the eve of the boom, he sold a section of his land for ten dollars an acre—\$1,600 in total (approximately \$43,000 adjusted for inflation). When his lawyer asked him what he was going to do with his financial windfall, the man replied that he would invest the lot in

"In the Heart of the Development"



# Today --- Saturday

MAY 16

## Your Last Chance to Get — HERRON-ELDER OIL STOCK AT PRESENT PRICES

*Power Cities Investments, Limited, has kept its faith with the people. Although the oil is here, and in greater quantities than the most optimistic had dared to hope, HERRON-ELDER stock is being sold and will be sold until 9 p.m. today, at the prices heretofore quoted.*

### The Herron-Elder Properties are Right in the Very Heart of the Oil Field, One Directly Adjoining the Dingman Well

You know how many became millionaires over-night in California, in Texas, in Oklahoma, in Russia. This time opportunity pauses at YOUR door. Will you sleep on or will you act NOW?

***"The Difference Between Poverty and Riches is Action!"***

#### A Near Parable

- ☐ Jones had a dollar and he cached it in his sock. The revenue was nil. He is one of the fellows who passed under the judgment of the non-producer.
- ☐ Smith had also a dollar. He sought means of multiplying it. He looked for good investments. He knew that Nature is the only real producer. He knew that Natural Products always have been and always will be the greatest boon to mankind. He invested his dollar in Nature's gift—Oil.
- ☐ Today, Jones, with the dollar in his sock, is forgotten except as a shining "bad example." Smith is hailed as one of the nation's great. He lives on the fat of the land and is honored because he had faith in Nature. Ask Rockefeller.

Figure 3-7 "The Difference Between Poverty and Riches is Action!"

The "near parable" in this Herron-Elder ad highlights many of the qualities and characteristics associated with Alberta's budding petroleum industry. (University of Calgary Libraries and Cultural Resources CU1301220)

Monarch Oil shares at a dollar a share. The lawyer looked at him and said he was crazy. "No, I am not," he replied as he pulled out his discharge papers. "I have a certificate to prove it." Of course, when Monarch stock hit forty dollars a share in June 1914, he cashed out and retired to the Okanagan.<sup>59</sup> Compared to the difficulty of growing good crops in the hard prairie soil, some boosters suggested oil would be relatively easy to produce. Unfortunately, bitter experience taught a number of these investors that, while oil was tempting to get into, it was harder to achieve success unless you were lucky, a little bit crazy, or both.<sup>60</sup>

