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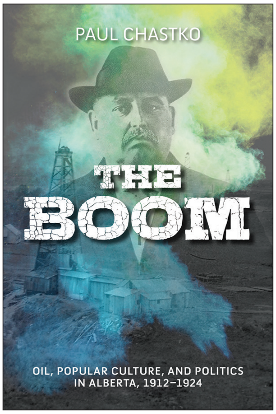

THE BOOM: OIL, POPULAR CULTURE, AND POLITICS IN ALBERTA, 1912–1

by Paul Chastko

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Reign of the Charlatans

Everybody's nerves are tense. Every pulse beat of the Discovery well is carefully measured. When the oil "gushes," a responsive throb is felt all down the line. The boot-black sleeps with his ten-cent certificates under his pillow, and Mr. Wallingford smokes longer and blacker cigars.

And everybody dreams of an estate at Tarrytown [New York, home of Standard Oil's John D. Rockefeller] with a standing army to repel the IWW!

—A.G. Henderson
The Day Book (Chicago)
June 24, 1914[1]

That oil promotion was sheer anarchy [in 1914] can be judged by the fact that there were no blue-sky laws and nobody knew anything about the oil business, including what it might cost to drill a well. Water well drillers, who had never gone below a couple hundred feet, became oilwell drillers overnight. So there was no reason why Calgary fruit stores, laundries, barber shops, coal and wood dealers and pawn shops shouldn't blossom out as oil share brokers. They did, overnight.

—*Western Oil Examiner*
July 9, 1955

In June 1914, around the same time that Calgary's Regent Theatre offered paying customers free oil stock with movie tickets, the Bijou Theatre in Edmonton began screening *The Widow's Investment*, a film that could serve as a cautionary tale for Calgary's would-be Rockefellers. Billed as a story of the California oil fields, the film's plot revolved around two confidence men, James Waldo and Henry Morgan, who hatch a get-rich-quick scheme by forming a fake oil company to bilk gullible investors out of their hard-earned money. Among the townsfolk victimized by the con is Widow Green, who is an easy target for charlatans and scoundrels. Widow Green uses all the money from her late husband's insurance settlement to buy shares in the fake company. For good measure, the death of her husband now means that her son Eben must leave the farm to support the family. Of course, however, Eben finds work as a rig hand with Waldo and Morgan's fake oil company, where he meets and falls in love with Marjorie, the daughter of the head driller. In a strange twist of fate, perhaps because the Hollywood story compelled the company to erect a rig and drill for oil instead of simply absconding with the townsfolks' funds, Waldo and Morgan strike oil, but a well-timed bribe to the head driller ensures his silence. Unaware that their investment has paid off and under pressure by the owners to divest, the shareholders decide to unload their stock for a fraction of its true value. Eben uncovers the details of this nefarious plot and secretly buys a majority of the stock, seizing control of the company from Waldo and Morgan when the stock's price rises, and marries Marjorie. The head driller learns that honesty is the best policy. The *Edmonton Journal* called the film "a delightful story of the oil country," noting its appeal "to the people of this district."[2]

Perhaps unsurprisingly given the film's plot, no record exists indicating that *The Widow's Investment* hit screens in Calgary that spring or summer. Art simply could not compete with the real-life drama and backroom shenanigans taking place in and around Calgary during the 1914 boom. The number and range of structural problems confronting the emerging petroleum industry were daunting, beginning with the lax regulatory environment, the considerable number of oil companies competing for scarce investment dollars, the flaws inherent in the self-regulated stock markets, and the overall lack of transparency. The dark side of high-risk, high-reward entrepreneurialism and unregulated laissez-faire capitalism came into full relief as it became clear there were few obstacles to deter mischief makers and plenty of incentives for companies to bend, break, or otherwise ignore whatever restraints existed on their behaviour in a cutthroat competition *before* drilling took place. By July 1914, over 450 companies representing half a billion dollars of capital investment on paper operated in the province.[3] However, given that local rather than national or international financing fuelled the 1914 boom—approximately half of the $4 million invested in stocks came from Calgary and Edmonton—there were too many companies competing for limited investment dollars. As *The Natural Gas and Oil Record* warned investors, "There is not enough money to be had to develop 450 Oil Companies at this time." At most, the industry journal estimated local investors could fund fewer than fifty companies and coldly assessed the daunting task ahead for entrepreneurs. Fifteen companies were already drilling; another twenty planned to drill within the next few weeks for a total of thirty-five companies with enough funds to launch a drilling program. According to the industry paper, that meant local investors could afford to fund perhaps as many as twelve or as few as ten companies out of the remaining 415. The competition to attract enough investment capital therefore would only become more intense and absolute.[4]

The second structural issue contributing to the chaos was related to the proliferation of stock exchanges and the short, sharp stock frenzy following the Dingman strike that provided ample cover for less-than-scrupulous promoters to concoct get-rich-quick schemes and starkly revealed the limits of self-regulation. Lax regulations and limited oversight enabled several types of transgressions to go unpunished for too long. For example, some promoters neglected their responsibility to issue stock certificates to investors in a timely fashion, ensuring that investors could not withdraw their cash provided they could find a buyer. Other promoters ensured they were paid first by issuing many more shares as promotion or vendor's stock rather than treasury stock. George Buck, though, raised the game to new levels with successive schemes to manipulate the stock market for personal gain. At some point in late 1913 or early 1914, it might be possible to believe Buck genuinely wanted to strike oil to realize his dreams. But that changed as Buck and his family flirted with financial disaster in the spring of 1914. Never a particularly wealthy company from the outset, Black Diamond Oil Fields limped along as a bottom-feeder compared to Calgary Petroleum Products and McDougall-Segur. Backed by Calgary's "old money," the latter never really worried about investors the way Buck and Black Diamond did. Without stock sales, the company could not sustain operations. For Black Diamond, stock sales were the lifeblood of the company. Without stock sales, they would not find oil and the company would die.

With the plan to salt the well, however, the means to an end became an end unto itself. Drilling for oil in Turner Valley was expensive and complicated. Buck's inexperience led him to create a chronically undercapitalized company that lived from hand to mouth, something Buck alluded to in interviews at the end of May, giving himself credit for sticking with the drilling program "when everything appeared dead in the search for oil" weeks earlier.[5] The plan had always been to drill more than one well, but Buck learned the hard way how thin his margin for error was and how close he came to personal financial ruin. But if the second company was much larger, Buck could raise even more money to sustain the operations of both. Capitalized at a robust $1 million, the new company would be a much more stable and reliable source of revenue—provided he could launch it. Before that could happen, though, the four partners of the Coalinga Oil Syndicate arranged to sell off their leasehold shares via an intermediary to hide the fact that they were, getting their cash out of the company.

According to Allan Clark, the plot began before the Dingman strike when Buck made a trip to Medicine Hat to talk with Martin and Phillips about his delinquent payments to the drilling company. Martin was in no mood to bargain and told Buck to make a substantial payment—about $5,000—or International Supply Company would pull its rig and personnel off the property. Now desperate to raise the cash and salvage what he could, Buck focused on how to sell more stock, and the notion of salting the well began to form. Clark was one of several salespeople in and out of Black Diamond's office in the spring of 1914, largely selling from the block of 1,000 United Oil shares Buck jointly owned (see Chapter 4). Aware that Buck and Black Diamond needed to raise some cash quickly, and likely complicit in the plot to salt the well, Clark approached Buck with a proposal on May 8—after salting the well but one day before the Cheely article appeared in the *Albertan*.[6] The deal would make Clark the exclusive seller for the remaining balance of 32,285 shares of treasury stock in Black Diamond Oil Fields in exchange for $2,000 in cash and healthy commissions (on a sliding scale determined by share price, from 62.5 cents for every share sold for one dollar rising to $1.50 for every share sold for five dollars). Buck did not insist on a time limit on Clark's term as exclusive seller, nor did he obtain a pledge from Clark regarding how much money would accrue to the company. According to Clark, Buck blanched at the commission rates but agreed to them when told the scheme would only work with highly motivated brokers. Buck agreed to the one-sided proposal but needed the approval of Black Diamond's board of directors because, according to the prospectus, 12.5 percent was the maximum commission the company could pay. Buck, however, remained confident that "we" would make up the difference; whether that was the Coalinga syndicate's partners or Black Diamond Oil Fields remained unclear. Clark's business partner, Fred Smith, recalled that it was difficult to tell when Buck spoke for himself, or as a representative of either Black Diamond Oil Fields or the

Coalinga Oil Syndicate. “He might speak for either one,” said Smith months later when describing how the arrangement came together. “I did not ask him who he was representing.” Regardless, officially the Coalinga Syndicate made up the balance by selling its leasehold stock. At a meeting on May 11, the Black Diamond board of directors agreed to the deal, and stipulated that the Coalinga Syndicate would reimburse the company fifty cents for every dollar of shares sold, to follow the prospectus’s maximum commission provision.[7]

But Clark saw bigger profits if the volume of shares sold increased, and pressured Buck to increase the number of shares available. According to Buck, it was Clark who asked to sell some of Coalinga’s Black Diamond leasehold stock. Seeing share prices take off in the aftermath of the salting, Buck needed little convincing. Urged on by Clark, who called it foolish to limit supplies when demand was so high, the conversation spread to include advertising manager Harry C. Beattie and Jennie Earl. Beattie supposedly urged Buck to “sell some of it if we had a chance.” Presenting himself in depositions as a reluctant owner going along with the wishes of the majority, Buck maintained, “All I wanted to sell was enough to carry us along for the time being.”[8] Clark claimed that on the night of May 13, 1914, he and Buck wrote up the terms of the agreement in longhand in the Black Diamond offices and were about to type them up when Smith burst in the door and blurted out that the Dingman well had struck oil. “Mr. Buck dropped everything and ran out to see about it and never came back.” Although Clark and Smith claimed the parties finalized the deal the next day, he never obtained a written copy of the agreement from Buck.[9]

Matters now turned to trying to get the leasehold stock held by the Coalinga Syndicate in circulation. “We had to find some way of getting the stock onto the market without letting people know that it came direct from the office,” testified Clark. Back in Black Diamond’s offices, the staff focused on the logistics of selling the large volume of stock, including opening half a dozen offices around town to sell stock, employing a deferred payment option, or sending shares out to fifty or sixty different agents. Buck, however, approached the problem from a completely different direction, focusing his attention on constructing a backstory he could sell along with the stock. In discovery hearings for a subsequent lawsuit by Clark and Smith over unpaid commissions, Clark believed the impetus came from a conversation weeks before between Buck and himself regarding Clark’s in-laws in California who were interested in buying a large block of Black Diamond stock—somewhere between $1,500 and $3,000 worth—at fifty cents a share. The sale never materialized, but something about the lure of California investors appealed to Buck. As the group brainstormed different ideas and approaches, Buck chimed in and pitched a backstory to hide the origin of the shares. What if a group of California capitalists, with an option on a large block of shares, suddenly made the stock available? When Buck's lawyer later questioned Clark about this plan, the salesman dismissed it as mere window dressing and deemed it immaterial to the subsequent sales of stock. But Clark overlooked the fundamental point. The backstory appealed to the anticipation and excitement investors already felt. It tapped into their hopes and dreams of rubbing shoulders with the Rockefellers, of financial security, and fame. Working with Black Diamond's advertising manager, H.C. Beattie, who initially opposed the plan but fell in line once it became clear that it was what Buck wanted, Clark paid for a series of ads in the *Albertan* and the *News Telegram*. As per Buck's wishes, Clark claimed he had acquired the option on a sizable block of Black Diamond stock from California capitalists and made them public starting at two dollars a share to cover drilling costs. "That was to be the public side of it," said Clark, rationalizing the decision. But Clark's partner, Fred Smith, who also worked in the advertising department of the *Albertan*, vehemently disagreed, mostly because it offended his sensibilities. Buck and Beattie's ad claimed the sale would help fund drilling the well, which Smith knew to not be true, prompting him to later claim "it had no business in the ad."[10]

Spurred by the ad's appearance on May 16 and the frenzy following the Dingman strike, the scheme to reintroduce Black Diamond stock to the market worked perfectly. Clark and Smith collected thousands of dollars from customers practically everywhere—some stopped them on the street, others pushed money into their hands in the stairwell to their office. In two weeks, approximately 56,000 shares of Black Diamond stock sold at an average price of three dollars per share, generating approximately $150,000 in sales. The two salesmen claimed the Syndicate sold enough shares to offset the losses incurred in offering the 25 percent commissions. Buck, for his part, claimed that, despite the sales, Black Diamond remained indebted to the Coalinga Syndicate and that Coalinga's partners sold their own stock to keep the two entities afloat. All proceeds from stock sales, insisted Buck, went to the company, but the question remained how much Black Diamond treasury stock Clark and Smith sold versus the leasehold stock provided by the partners in Coalinga. In his initial discovery hearing, Buck said he transferred at least 11,000 Black Diamond shares held by the Coalinga Syndicate to his mother-in-law, Elizabeth Beaty, as a gift and vigorously claimed she decided to sell them of her own volition. In a second hearing, where Buck testified as a member of the Coalinga Syndicate, Buck acknowledged a substantially larger transfer of 55,000–60,000 shares to his mother-in-law.[11] Jennie Earl, who wore many hats at Black Diamond, including the post of secretary-treasurer, stated Buck's mother-in-law received closer to 50,000 in shares for the sale. The larger block, she claimed, "made them easier to sell." When questioned what that meant, Earl did not elaborate. Still under oath, Jennie Earl steadfastly denied that the partners were cashing out by transferring shares to Beaty. Nevertheless, Earl could not offer a plausible alternative explanation for the transfer and sale of such a large block of shares to Beaty, especially after she claimed at the time of the deal with Clark that Black Diamond had enough money to cover all its expenses.[12]

For the five days of the sale, Clark ensured that the salespeople he employed received their commissions and constantly turned money over to Jennie Earl. On occasion, either Clark or Smith accompanied Earl as she made deposits at the bank. Both men noticed cheques and money from the sales campaign being deposited into the Coalinga Syndicate's bank account instead of Black Diamond's. Ledgers subpoenaed in connection to a civil action later showed Coalinga's net proceeds from the sale totalled $59,182.86—which happened to be the total amount turned over by Clark to Jennie Earl. Buck claimed the deposits reflected Coalinga's status as "bankers" for Black Diamond. Once the funds were in the possession of the syndicate, Buck admitted receiving a payout between $5,000 and 10,000 as share prices climbed to more than five dollars by the end of the campaign on May 20. Clark and Smith also noticed that members of the Coalinga Syndicate suddenly bought new automobiles while Black Diamond Oil Fields remained insolvent. Nevertheless, the *Albertan* reported Black Diamond took in $25,000 in an hour and a half on the final day of the campaign. "We have now enough for development purposes, and will offer no more," Buck claimed, before gratuitously adding that an investor in England had taken up all the remaining stock. In the next breath, Buck announced the launch of a second company, Black Diamond #2, and promised that company would begin drilling within thirty days. Clark found a seat on Black Diamond #2's board of directors when he transferred the petroleum rights for the location of Black Diamond #2—500 yards south of Black Diamond #1—to George Buck.[13]

Clark testified that Buck alone came up with the risky plan. After all, the company's salvation depended on inexperienced brokers, selling an indeterminate amount of stock at variable prices. At a deposition arising from a falling out between the partners, Buck's attorney asked Clark why Buck would be party to such a ridiculous and dangerous scheme. Clark offered a concise answer that hinted at the broader conspiracy to salt the well—Buck wanted to sell as much stock as possible. "They would do anything to sell their stock and raise the money." Although Clark's answer presented the attorneys the opportunity to probe deeper, no one followed up with the obvious question about what "anything" might entail. The conspiracy to salt Black Diamond #1 bound the two sides together in an uneasy alliance. Both knew revealing the plot would badly damage everyone, so it remained hidden for the time being. All told, the salesmen claimed they employed 100–150 agents selling an estimated 69,450 shares of Black Diamond. It took them five days to sell 11,000–37,165 shares of the lease stock issued to the Coalinga Oil Syndicate now held in trust by Buck's mother-in-law, Elizabeth Beaty. According to Clark the only reason he stopped selling was that Buck pulled the rest off the market. Even then, after May 20, 1914, Buck told Clark subsequent sales would have to take place "on the quiet." Indeed, Clark found Buck willing to sell leasehold stock "as long as he got the price that suited him."[14]

The burst of activity from Black Diamond immediately attracted the attention of the press. *The Natural Gas and Oil Record* openly wondered how many times the same company could take its own stock off the market again on May 21 and noted that "telephone crooks" were busy cold-calling people to drum up sales for "fake diamonds"—a euphemistic nickname for Buck's company. Nine days later, the *Record* again referred elliptically to Buck and Black Diamond's campaign, noting that one company reported four strikes at its well, took its stock off the market about once a week only to see it reappear somewhere else under a different name. "Those responsible for the rumor are inspired by various motives," noted the *Record,* "but chiefly by the desire to boost prices and realize profits on stock secured at low flotation figures."[15] In the meantime, Buck gave an extensive interview to the *Vancouver Daily World*. Less than a week after the Dingman discovery, the west coast newspaper dispatched a special correspondent to Calgary to follow the oil boom's progress. Despite pledging to its readers that it sought "authentic information as to the actual conditions in Calgary," the *World's* correspondent became one of the most effective conduits for Buck to get his message out to investors. This cozy relationship led to big sales of Black Diamond stock in Vancouver, prompting Buck to briefly consider opening an office on the lower mainland.[16]

Regardless, starting on May 23, the *World* published an uncritical write-up of Black Diamond Oil Fields, likely personally provided by Buck. The company's well lay in the Dakota sands, the report asserted, and "experts" agreed "that there is a big body of oil in the reservoir over which the company is working." Buck proclaimed his company "was first in the field" and came into being after he'd read Cunningham Craig's *Oil Finding*, wherein he intuitively understood and grasped the "value of scientific geology." The Black Diamond well, claimed Buck, tapped one of the largest oil fields in the world, extending from the southern boundary of the province to Athabasca. Oil was everywhere, but "the chosen areas will produce results at far lesser expense." Indeed, in several advertisements, Buck claimed without any basis that the oil under his lease sat 1,000 feet closer to the surface. Then, addressing himself to all Black Diamond stockholders, Buck implored them to hold on. "There is a good market for our shares and transfers are brisk, but those who hold will, I feel sure, not regret it." Despite the recession, the oil boom liberated capital in a remarkable way. "For the past twelve months or more people have been crying financial stringency," said the promoter, "but it was timidity more than anything else which kept over $50 million tied up in the saving banks in this city alone." Oil men had gained the confidence of the people, and "I trust it will not be abused," he intoned. Despite all the economic doom and gloom, Buck boasted stock sales of $26,600 in a day and a half plus an additional $25,000 in an hour the following day. But investors must be vigilant, warned Buck. "I venture to say that in one instance there has been over $500,000.00 invested in a company in this city that hasn't even a stick of timber on the ground." Whatever the intention, idle capital resulted. But Black Diamond, on the other hand, "is well advanced. If we strike a gusher, which may happen at any moment now, we have sufficient material at hand to construct a temporary reservoir in five days, provided our permanent reservoir is not completed at that time." Buck concluded the interview with a grand vision of development made possible by oil. The industry meant spending millions of dollars on labour, materials, and infrastructure projects. Who did not want such a future?[17]

For George Buck, media in the form of newspapers represented the best way to stoke investor interest and press forward with his pump-and-dump scheme. In many ways, Buck used the medium of advertisements the way later generations use social media to deliver his message unfiltered to his supporters without editorial comment. Bereft of pictures or illustrations, the advertisements developed in conjunction with H.C. Beattie, Black Diamond's advertising agent, served as extended conversations between the company and the public, and Buck used them to attract investors, settle scores, call people names, or simply infuriate his critics. But newspapers had standards about what they printed that served as a check on Buck's message. "We used to have to cut his ads down at the office," recalled Fred Smith, who worked in the *Albertan's* advertising department and sold Black Diamond stock on the side during the boom. "I would not run them at all, they were too wild."[18]

In the meantime, despite the cash flow problems with Black Diamond #1, Buck wanted to move quickly and lock in a drilling rig at Black Diamond #2, convincing Tiny Phillips and International Supply to work on the second site. The contract stipulated that work on the second well would begin after the completion of the first. Records show, however, that Martin and Phillips built a series of penalties into the contract because of their previous experience with Buck. The contract charged Black Diamond nine dollars "for each and every foot drilled" as well as a flat fee of seventy-five dollars plus replacement costs for every day the company did not furnish coal and water to run the boiler.[19]

Black Diamond #2 launched with an aggressive advertising campaign that used advertising space to speak directly to investors and address critics without having to formally speak to the press.[20] Ads for Black Diamond #2 shamelessly trumpeted the "success" of Black Diamond #1 as evidence that the new company's field would be as a profitable and that its corporate officers knew what they were doing.[21] But above all else, Buck used the opportunity to air grievances and settle scores. On May 25, an ad for Black Diamond #2 appeared to counter the aspersions heaped on Buck by announcing, "We drill for oil." This, claimed Buck, is what lay behind the smear campaign launched against himself and Black Diamond Oil Fields. Other promoters and companies could not compete with Black Diamond and that is what "arouses the envy, the jealousy, the animosity, the malice, and the last resort of the coward and defeated crook—the LIES he is busy circulating while we keep busy DEVELOPING." The ad intimated that Black Diamond might bring in a giant gusher "any day now" and promised Black Diamond #2 would have success "because ITS holdings comprise some of the choicest and most scientifically selected anticlinal oil land, enough for FIVE companies devoted to such active, energetic drilling and oil development." Black Diamond's ad the next day again claimed Black Diamond was "far in the lead to the big flow" and that Black Diamond was so busy with "real oil developments" that they did not have the time to even "enumerate the foolish falsehoods and the childish criticism concocted and circulated by the parasites of the business of genuine oil development." Once again, the ad claimed that Black Diamond alone was the "ONLY well in the Dakota Sands." Black Diamond, the ad further claimed, was "the centre of all intelligent OIL interest of the whole field from which all wise OIL calculations are NOW made." The company success "demonstrated that the DRILL is MUCH MIGHTIER than the puny hammers of the parasites."[22]

On May 27 unnamed brokers operating out of the King George Hotel claimed Black Diamond #1 had struck oil. The rumour lingered for hours, pushing sales of Black Diamond stock to lofty heights before reporters reached Buck for comment. The *Herald* claimed Buck shut down the report, but teased there was no truth to the rumour that the well had produced oil in "commercial quantities." The following day, the *Albertan* sent a reporter to the oil fields to provide a first-hand assessment of developments on the ground. Contrary to "Dame Rumor," the article claimed, there were no armed guards around the Black Diamond well and the visiting party arrived just in time to see the contents of the bailer dumped into the sluice box, producing sand and a black oily fluid. The reporter then picked up a piece of waste, lit it on fire and dropped it down the well, sending a fifteen-foot-high explosion of flame. The chief driller, James W. Hayes, his two assistants, and the watchman then claimed they had personally invested every cent they had in Black Diamond stock.[23]

Buck seemed to relish the role as showman, outspoken promoter, and iconoclast he found himself playing in the spring and summer of 1914. But his increasingly outrageous behaviour and brazen falsehoods offended the broader community and invited recriminations. One story making the rounds illustrated the increasingly low regard for Buck and Black Diamond. The rumour held that Buck went fishing with a priest on Sheep Creek near the Black Diamond well. Beforehand, however, allegedly Buck prepared the area with signs of oil and, while the priest fished, Buck went upstream and dumped oil in the creek. By the time Buck returned to the priest, the oil had made its way downstream to the two men. Seeing oil glistening on the water's surface, Buck made a huge demonstration, lamenting that oil seeps from his nearby well would ruin their day. The priest then dropped his fishing rod and went back to Calgary to buy as many shares as he could afford. As Buck expected, news of the seeps spread and the price of the stock rose temporarily. When it plateaued, the priest cashed out, supposedly making a small fortune in the process.[24] While the story might depict a dogged and determined promoter pursuing every investment dollar available to it, it also presents a stark, amoral tone with almost cartoon-like malevolence. A revival preacher actively "salting" the ground with signs of oil to defraud a priest? Who would do such a thing? Perhaps the only redemptive part of the rumour is that the priest made a profit—something that very few other investors in the boom could claim in 1914.

More serious was the response of George Thompson's *News Telegram*, which reached the decision to terminate coverage of Buck and Black Diamond Oil Fields. On May 28, 1914, Thompson's paper followed the lead of Tucker's

Natural Gas and Oil Record and omitted Black Diamond Oil Fields from its daily stock quotations and removed it from its daily update of "wells now drilling." Although Thompson did not directly address the decision, an editorial published that day took aim at "fake oil newsmongers," declaring the practice of issuing false reports "short-sighted and unprofitable." The paper suggested "various motives" for the practice but ranked "the desire to boost prices and realize profits on stocks" near the top of the list. While the paper acknowledged that finding the truth was sometimes difficult, it nonetheless declared that "there is little excuse for publishing reports for which there is not any foundation in fact." While the editorial avoided mentioning Buck or Black Diamond by name, the company's sudden disappearance from coverage of "legitimate" oil companies and a subsequent editorial decrying companies "made out of stock-selling campaigns" left little doubt regarding Thompson's feelings.[25]

In early June, the Coalinga Oil Syndicate circumvented this modicum of editorial oversight on its messaging by launching its own newspaper, *Black Diamond Press,* publishing its first issue on June 10, 1914. Former *Saskatoon Daily Star* reporter Vernon Knowles became the managing editor and B.J. Casey the business manager of the new paper. In retrospect, hiring Knowles seems a little surprising—a relatively young reporter with five years' experience under his belt. At the end of May, while working for the *Daily Star*, Knowles had published the first of three articles on Calgary's oil boom on May 28, 1914. Knowles's pieces encouraged oil development but were hardly uncritical, and earned some praise from business leaders in Saskatoon for their appeals to common sense.[26] Nevertheless, he was hired as the managing editor of the self-professed paper "containing the most authentic information and development notes on the Calgary oil fields"—if that information accorded with Buck's world view. The *Black Diamond Press* served as both sword and shield for Buck's company, promoting favourable stories while attacking critics. For example, the first issue targeted *The Regina Leader*, which effective June 1, 1914, refused to run ads from Calgary oil companies, citing difficulty in distinguishing legitimate businesses from fraudulent ones.[27] This decision earned the Regina paper the ire of the *Black Diamond Press*. Ironically, the *Leader* noted that the second issue of the *Black Diamond Press,* published on June 17, 1914, included an article titled "Oil Companies from Boundary to North Pole," claiming many Alberta oil companies were outright frauds that had no intention to drill, lacked leaseholds, or planned to let others take risks proving the field. The *Leader* expressed astonishment

Figure 6-1 "Birds of Prey"

In a calculated dig at George Buck, *The Regina Leader's* editorial cartoon, "Birds of Prey," questioned how Buck could be both a newspaper publisher and an oilman simultaneously. The *Leader* published "Birds of Prey" on the front page of its June 11, 1914, edition, the day after *Black Diamond Press* published its first newspaper. The cartoon, with the additional editorial commentary about "knocking," was reprinted by *The Toronto Daily Star* four days later.

that a publication supposedly promoting oil investments would publish such criticisms, especially after attacking it for saying many of the same things.[28]

After two delirious weeks, the first spasm of excitement about Calgary Petroleum Product's oil strike began to die down. In a report dated June 8, *The Monetary Times* concluded that "oil is still paramount in the public interest, there is not so much doing in shares, or leases as there was a fortnight ago. Everyone is waiting for the next strike."[29] One Spokane-based broker, Mitchell Grostein, expressed some relief, noting that "the stock values are largely fictitious." More problematic was the fact that "it is impossible to sell shares at prices advertised" as investors now sought to cash in by asking for more than the market price. Indeed, the broker observed that shares of Calgary Petroleum Products sold for twenty dollars before the strike and reached $200 per share after the well came in before settling at eighty-eight dollars a share. But even this created another problem because it remained far too rich for the everyday investor to buy. The future of the Calgary field

Table 6-1 Selected Alberta Stock Prices, May 15–June 6, 1914, Published by the *Natural Gas and Oil Record*

	PAR VALUE ($)	STOCK ISSUED	COST ($)	PRESENT PRICE ($)	NOW WORTH ($)
United Oils	10.00	30,000	300,000	$18.50	550,000
Monarch Oil	1.00	100,000	100,000	$19.50	1,900,000
Calgary Petroleum Products	10.00	15,000	150,000	$30.00	1,350,000
Southern Alberta	1.00	35,000	35,000	9.00	315,000
Western Canada	1.00	71,000	71,000	5.00	355,000
Western Pacific	1.00	100,000	100,000	2.50	250,000
		351,000	756,000		4,720,000

Data adapted from *The Natural Gas and Oil Record*. Various dates.

depended on whether additional wells produced oil. Despite the heavy emphasis on the operations of the independent companies, Grostein detected an unmistakable shift in the direction of the boom that pointed to the ascendency of larger combinations and concentrated capital. Trading was "going on steadily, but it involves rather large amounts of capital and is no game for the small fry."[30] Almost as if to prove Grostein's point, on June 6, *The Natural Gas and Oil Record* claimed Alberta-based oil companies had made $4 million in oil since May 15 and published the above table (6-1) of stock prices. The Calgary Petroleum Products Company copied the information and then used it to feature prominently in its advertisements in Spokane newspapers.[31]

Careful readers, however, would note that, apart from Calgary Petroleum Products, none of the other companies produced any oil whatsoever. Their stock prices were largely fictitious and based largely on the success of other firms operating in the field rather than their own. To be sure, Monarch Oil's well near Olds showed some promise in early June, but striking oil was hardly guaranteed (see Chapter 11).

The boom, however, did not remain confined to Calgary and replayed itself throughout the month of June in communities across central Alberta. The press and investors eagerly awaited a second strike to confirm the extent of the field and, perhaps, the presence of crude oil in commercial quantities.

In Edmonton, as in Calgary, thousands of brokerages mushroomed, specializing in selling stock in firms seeking to develop the area delineated from Rocky Mountain House in the west to Athabasca in the north and as far east as Wainwright. In central Alberta near Red Deer, newspapers focused on Monarch's progress, especially after the *Albertan* reported the well struck wet gas on June 18. Red Deer newspapers published weekly rather than daily—*The Red Deer News* on Wednesdays and the *Red Deer Advocate* on Fridays, meaning that the two papers bracketed the Thursday, June 18, announcement made by the *Albertan* that injected a jolt of electricity into the boom. With most of the attention focused on the "Calgary district" and the horse race between Calgary Petroleum Products, McDougall-Segur, Black Diamond, and United Oils to produce crude first, hardly anyone paid close attention to developments in central Alberta, making events there deliciously unexpected. "The news has set a flame alight," wrote the *Vancouver Daily World*. "Calgary will never look back."[32]

While many around Red Deer predicted an oil find in the region, they were nonetheless surprised that crude oil showed at such a shallow depth—808 feet. Reports of the strike spread by word of mouth on the morning of June 18 and made their way to the land office to get a number to file on mineral rights. Rumours claimed swarms of Calgarians were on their way north by automobiles and via the morning train, prompting the *Red Deer Advocate* to report that one barber left a customer in the chair to go claim a number. The editor then made a friendly wager that the numbers currently sitting at 275 would not reach 500 by the end of the day, and lost.[33] By the time the train arrived at noon, over 500 people already had numbers, "including many ladies," noted *The Red Deer News*, "some of high social standing." Unaware that the local rush took place preceding their arrival, potential investors dashed off the train to Ross Street toward the land office. Some ran to their destination, arriving red-faced, winded by the exertion, and were "scarcely able to speak." "The look on the faces of some of them when they saw the number of their ticket was a study; disgust was expressed on every face." Another mad rush came with the arrival of the evening train. However, these visitors represented larger syndicates and they looked for people with lower numbers willing to sell their tickets and right to file. From seven to eleven p.m. the offices of local brokerages, Latimer & Botterill and Lionel Page, "were besieged with buyers and sellers, and many numbers changed hands from five dollars up to one hundred dollars." The impromptu sale of tickets produced other problems as many of the visitors now lacked funds for other expenses, like a hotel room, while they waited to file claims starting the next morning.

The CPR's telegraph office did brisk business as the visitors wired or phoned Calgary for money. In one case, one potential investor wired their partners in Calgary to send money to Red Deer for ten a.m. While their partners fulfilled the request, for some reason when the applicant went to the bank to withdraw the funds, the bank would not release the cash. Running out of time to make his claim at the land office, the man rushed around the streets looking for familiar faces to loan them some cash for half an hour. "They were successful in getting a part, but not all they wanted," noted the *News.*[34]

The *Red Deer News* proclaimed, "Great oil field in Red Deer District: Monarch, west of Olds, strikes heavy black oil." The extensive article that followed quickly claimed that the Monarch discovery was more significant than that of Dingman because it brought "black oil, long dreamed of by the Alberta oil operator, the mother fluid from which comes the lighter and more volatile oil, such as is produced by the Discovery well of the Calgary Petroleum Product company."[35] The luxury of producing a weekly paper enabled the editor of the *News* to contextualize the events of the previous week. "Discovery of oil west of Olds," wrote the *News,* "demonstrates beyond a doubt the claim of experts that the main body of oil would be found north of the Dingman well." Those same experts claimed oil-bearing formations covered a distance some 600 miles. If true, it meant the whole province sat upon a massive reservoir. "Every indication goes to show the Red Deer district . . . is in the centre of the oil region, and that there is a great future in store for us." In the meantime, the editor urged every citizen to purchase "a few shares at least" in companies operating locally to "help along the good work."[36]

The Natural Gas and Oil Record claimed that Monarch's strike of wet gas produced a rush at the land office, where speculators filed leases on twenty sections of land close to Monarch's well. Monarch's success, noted the *Record*, "means an immense extension of the oil area, as this well is located many miles northwest of Calgary." The *Record* speculated that within three months, the number of wells in Alberta would be "almost countless," extending more than 150 miles northwest and southeast and fifty miles west and east of Calgary. The railroads would strain to handle the drilling equipment already ordered, let alone the equipment recently ordered.[37]

As Georgeson and Monarch stockholders celebrated their windfall, Buck continued to try and make a living from small investors as the directors of the Black Diamond attempted to rehabilitate Black Diamond's image. Perhaps Buck grew uneasy with the stories and rumours circulating around town or maybe he began to find it difficult to attract investment dollars when everyone assumed he was crooked. Or, for those less inclined to give Buck

Figure 6-2 "Picnic group at site of Dingman #1 well (Calgary Petroleum Products #1), Turner Valley, Alberta."

Picnics by members of the public at the oil wells, like this one at the Dingman well in 1914, sustained and nurtured public interest in the oil field and became standard practice. George Buck's picnic at the Black Diamond well in early June received extensive coverage from newspapers in Calgary and Vancouver. (Glenbow Archives CU1136172)

the benefit of the doubt, he just wanted another chance to fleece the public. Regardless of his motivation, Buck invited the press and the public to visit Black Diamond #1 for a picnic over the weekend of June 6–7 and followed up with open houses on June 8–9. Despite the announcement having been issued at the last minute in the Friday edition of the *Albertan,* press accounts and photographs reveal a successful, and well-attended, open house. One report noted that several ladies attended the picnic and played a game of pickup baseball. Jennie Earl oversaw the luncheon table and ensured "that all present were made to feel—what they really were—heartily welcome." L.D. Taylor, the managing editor of the *Vancouver Daily World,* visited the site and witnessed the explosion of natural gas when someone placed a piece of lit waste into the well. Afterward, Taylor announced that he "formed the impression that the prospects at the well were extremely bright."[38]

The *Albertan* sent a reporter, J.M.D. Ritchie, who promised to get to "the truth" about Black Diamond Oil Fields. Instead of a hard-hitting expose, the *Albertan* produced a puff piece that self-consciously tried to smooth over Buck's rough edges and depict the company, and its owner, as a misunderstood but hard-working man with a dream. Ritchie noted that by early June many Calgarians were well acquainted with George Buck and Black Diamond. Stories about the company were "about as numerous as the sands of the seashore" and obliquely referenced reports that the hole was between three and eight inches in diameter, and rumours that Buck had salted the well, by acknowledging that several stories circulated, "some of them of colossal absurdity."[39]

Ritchie reassured readers that he did not encounter flesh-eating dogs or armed guards when he entered the well site, but he did notice a gun "of patriarchal design" suspended on a hook in a building at the base of the derrick. Seeing that the gun caught the reporter's eye, someone said it was "the very one from which had been fired a bullet that had narrowly missed sending the great Napoleon to his death on the fatal field of Waterloo." Ritchie refused to venture an opinion about the story's accuracy but did suggest "it possesses the flavor and characteristic of the vast majority of the stories that have passed from mouth to mouth respecting the Black Diamond well." Whether Ritchie meant hard to disprove and mostly harmless or entirely fanciful and created out of whole cloth remained unstated. Ritchie then summarized where matters stood with Black Diamond as of early June. The well remained dry as it reached a depth of 1,625 feet, but Buck showed Ritchie "a large can containing black oil which had been skimmed from off the top of the contents of the bailer on various occasions since the Dakota sands were reached 1,380 feet below the surface." The reporter then said that neither the derrick nor the bailer operated during his visit but that he had no reason to doubt the honesty of Buck's statement. Admittedly, Black Diamond #1 had made little progress over the past few months but that was because "the Dakota sands form the hardest strata through which the drill has to pass." Several times during the weekend, burning waste dropped into the well produced an explosion of flame. Driller James Hayes told the reporter that "he thought considerable risk of serious damage to [the] derrick was involved by the dropping of waste into it." Yet the demonstrations continued. Ritchie then turned his attention to Hayes, whom he described as both "modest and sincere." Hayes had thirty years' experience in the oil fields of the United States and had literally drilled hundreds of wells. Hayes's informed opinion, noted Ritchie, is that "a body of crude oil would be struck at Black Diamond and that the strike would be made before the drill had penetrated a depth of 2,000 feet." The same sense of optimism pervaded the other five employees on the property, all of whom professed that they had invested their own funds in the well. Ritchie concluded the article by arguing that Buck and Black Diamond are "doing everything humanly possible to reach the oil, and their prospects of doing so are as fair and hopeful as looked the camp yesterday."[40]

Within a matter of days following the picnic at Black Diamond, rival United Oils announced that they expected to strike oil within a month, and the front page of the *Albertan* reported conditions at United's well mimicked those at Calgary Petroleum Products immediately before their strike. Buck's competitiveness compelled him to announce that conditions at Black Diamond #1 indicated the well would come in within the next four days. "The oil is increasing with every baler that comes out," Buck told the *Herald*. "The dumpings on the sluices are literally covered with black oil and the indications are so good that we think the shareholders should know." To the *Albertan,* Buck elaborated further, stating, "I believe that in four days' time one of the best wells on the continent will be brought in on this property." The announcement created a flurry of activity on June 12 on the Calgary Stock Exchange, which likely witnessed another kind of market manipulation known as "painting the tape" with successive small orders at increasing (or decreasing, depending on one's goals) values. On June 12, increased trade volumes brought the total value of Black Diamond stock traded to $80,000, including one block of 1,500 shares of Black Diamond for $25,000. The rally enabled Black Diamond to reach seven dollars, rising from three dollars over the previous two days, and drew the attention of Spokane newspapers.[41] But the *Albertan* reported that when sales fell below $4.75, Buck's own brokers, perhaps Clark and Smith, placed a floor under prices by buying shares liberally, enabling a close at five dollars. A few days later, Buck objected to the *Albertan's* story, claiming that "I have no brokers operating for me on the market, and I am not selling Black Diamond stock." The statement was technically true, as Clark and Smith sold Black Diamond stock held by the Coalinga Syndicate. Decades later, broker R.C. Carlile described another element to the explanation for the frenzy, claiming that, to stimulate interest in Black Diamond stock on the floor of the Calgary Stock Exchange, Buck sold shares directly to brokers with a fifty-cent discount. Now highly motivated by the search for an easy profit, the brokers did the rest of the work for Buck, pushing Black Diamond stock so they could capture higher commissions.[42]

George Buck's elaborate schemes started unravelling by mid-June and he began lashing out at enemies, both real and perceived. The Wolverton lawsuit drew his time and attention away from more serious matters, but he just would not admit defeat and move on. As the oil boom sputtered and flailed, Buck grew increasingly desperate to prolong it and inject more enthusiasm into investors by launching Black Diamond #2. However, on June 16, Wolverton's lawyer, Clifford Jones, secured an hour-long discovery hearing. The transcript of the hearing reveals either Buck's distractedness, irascibility, and belligerence or his stunning ignorance about his company. Asked at the outset by Jones if he took the time to prepare for the hearing by reviewing the plaintiff's complaint and reviewing documents subpoenaed from the Black Diamond company, Buck admitted, "I do not think I have." Worse, he failed to comply with the subpoena's request to provide any "books or documents" pertaining to the lawsuit. Things went downhill from there. A clearly preoccupied Buck could not recall basic information about the company, such as when it incorporated or the date the company filed the prospectus with the province, nor could he say when Wolverton obtained the share certificates. Buck's evasiveness and lack of recall created the impression he had something to hide. Questioned if he told Wolverton to keep the 2,000 shares for services already rendered, Buck snapped back that Wolverton never rendered any services to the company. "He was like the rest of the bunch," sniffed Buck, "and did all the knocking he could."[43] In all, it was a dreadful performance by a corporate officer in front of the court. Worse yet, Buck knew it too. Near the end of the hour, Buck's temper flashed after Jones questioned why Buck failed to sign the back of Black Diamond share certificates as required by the province.

> Q: And you are the president?
>
> A: Yes.
>
> Q: And Campbell the secretary, is that your brother-in-law?
>
> A: No, he is not my brother-in-law, that is one of the stunts you fellows have been shooting around town that makes me sick.
>
> Q: I am not shooting anything.
>
> A: Don't do that now any more or you might find something sticking into you sometime.

This was not the first whiff of violence around Buck. Certainly, some of his ads talked tough about his nemeses, and at the end of May, Lulu DeWitt accused Buck of assault, only to withdraw the complaint just before the arraignment.[44] But here, in front of a stenographer and court officials, Buck threatened an officer of the court. Moments later, the examination wrapped up with the clerk of the court making a pointed comment regarding Buck's lack of preparation and clearly stating the examination would resume after Buck refreshed his memory. Buck did his best to put off his return appearance by not showing at three consecutive scheduled hearings. Finally, Justice Stewart granted one final deferral, but issued a chamber summons to Buck, warning that another no-show might result in a summary judgment against him.[45]

What was so important that Buck would miss multiple court-appointed examinations? Buck was desperately trying to salvage his company. Despite all the schemes, picnics, and stock sold, Buck had yet to pay drillers Martin and Phillips for their services and now owed International Supply Company in excess of $12,000. Around the middle of the month, coinciding with Buck's discovery hearing, Martin and Phillips grew tired of subsidizing Black Diamond's drilling program and told Buck they would part ways, remove their rig and tools, and move on. International Supply Company had plenty of other drilling contracts to fulfil from paying customers. But if the rig left, it would shatter the illusion Buck had created of progress on the well and put an end to his attempts to raise money. Buck pleaded with the drillers to leave the derrick behind for one week and they finally relented, but Martin and Phillips took their tools with them and left behind the boiler, engine, and two men at camp waiting to start up again when Buck got some money in from selling stock.

Salting the well the first time had yielded quick returns; perhaps lightning could strike twice. To get around the messy fact that International Supply had pulled its equipment and people from the well site, Buck formed a drilling company, Earl Drilling (named after Jennie Earl), and bought a new cable before returning to Sheep Creek to run the tools down the hole. On June 18, Black Diamond announced that drilling had resumed at Black Diamond #1, and by June 20, fanned by reporting in *The Black Diamond Press*, multiple reports circulated in Vancouver, Edmonton, and Toronto of oil strikes at Black Diamond #1 and McDougall-Segur. Indeed, *The National Post* quoted George Buck's prediction that drillers would "pierce into the big body of oil at any moment."[46] Meanwhile, reached by the *News Telegram,* Black Diamond trustee E.H. Crandell said drillers had pulled very heavy black oil "in the bucketsful" out of the well. The *News Telegram* also received confirmation from Allan Clark, who reported that "it was probable that a large body of oil had been encountered."[47] That night, it is highly likely that Buck salted Black Diamond #1 for a second time. Two days later, on the evening of June 23—the very day Jones filed a request compelling Buck to appear or else forfeit the case—reporting likely published by *The Black Diamond Press* intimated that

Black Diamond #1 had struck oil and touched off what the *Albertan* called "the wildest, insanest, most exciting night yet."[48]

Perhaps the insanity owed at least part of its enthusiasm to the boldface headline of the June 24 edition of the *Albertan*—"**Persistent report that oil has been struck in well of Black Diamond**"—and the fact that the paper claimed having received confirmation of the strike "by an official in the Black Diamond company." The story also claimed an acquaintance of Buck's, Garnett Rice, "examined the oil in every conceivable manner, and was very enthusiastic over the discovery." At first, Buck refused to confirm or deny reports but later claimed "black oil had been encountered in the well" and said that it existed in "fair quantity."[49]

Not even the Dingman announcement of over a month before compared. People gathered on the street and hotel lobbies buzzed as if a large convention was taking place. Investors rushed to the various stock markets, which became so crowded it was impossible to move in or out for several hours. Black Diamond stock that traded for $4.78 before the rumour now sold for as much as sixteen dollars. One man waved a ten-share certificate in the air on 9th Avenue and declared he would sell it for ten dollars a share now but that it would surely reach twenty dollars a share the next day. Another man cried "take it" and "charged toward the vendor as though he intended to run him down." Black Diamond stock began to appear on the streets with eager sellers and buyers. "The more that was sold," wrote the *Albertan*, "the more stock seemed to fairly spring up from the ground . . . . It was as though a printing press somewhere was just grinding out certificates." By the time Buck authorized the *Albertan* to deny the story, both enthusiasm and the stock price dropped, with the stock settling at $5.50.[50]

In many ways, it did not matter if Black Diamond struck oil because other promoters used the rumours to sell their own stock. The Hartford Oil Company took a page from Buck's playbook and published a provocative advertisement in *The Saskatoon Daily Star*, complete with reprinted telegrams, claiming an oil strike. A week later, despite assurances from various quarters that oil existed, no one else could verify the report. With Buck maintaining his silence, the *Albertan* labelled him "the Sphinx of the Oil Field" even as he teased the paper with a provocative statement about a "gusher" at the well site. "Compared with him," grumbled the paper, "a deaf and dumb mute sounds like a militant suffragette at a meeting being addressed by [David] Lloyd George."[51]

Finally, on June 26, Buck gave an exclusive interview to the *Herald* that attempted to clean up many of the misstatements about Black Diamond #1 dating back to June 12—nearly two whole weeks—since Buck had issued a statement expecting an oil strike within four days. Buck then claimed a small well collapse delayed the discovery a few more days since the drill bit was more than 100 feet deeper than the casing. Driller James Hayes decided to underream (enlarge) the hole and lay down more casing. Then the under-reamer jammed and took twenty-two hours to dislodge. Nearly a week later, on June 18, Buck claimed drilling had barely resumed when cracks developed in the jars of the drilling tools, requiring another delay, this time for new parts to arrive. Drilling started again, according to Buck, but then the drill became stuck in the hole for twelve hours. Yet by this time, stories of an oil strike at Black Diamond #1 circulating in Calgary had reached Buck, who immediately dropped everything to travel out to the well with friend Garnett Rice. Allegedly, Buck told Rice that he could come to the well provided he would not make any statements about what he saw. The two men arrived just as the drillers were bailing out the well. When the emptied bailer revealed the oil, Buck claimed Rice became greatly excited. "It appears that when Rice got back to the city he was unable to withstand the importunities of those asking for information and told what he saw," suggesting that the reports of the strike at Black Diamond owed themselves to Rice's overactive imagination. Perhaps anticipating the question as to why he did not act to shut the story down earlier, Buck suddenly became the victim, claiming he did not wish to make any statement "because my statements are invariably misconstructed and this is the last time I am going to say anything for publication until we are ready to make an announcement."[52]

What Rice did not mention to reporters, and what Buck cleverly concealed, was that all drilling operations at Black Diamond #1 had ended more than a week earlier. Rumours of the strike at Black Diamond electrified Calgarians and made the front page of the *Spokane Daily Chronicle* under the headline "Oil-mad mobs in buying frenzy on Calgary streets."[53] In Edmonton, Tiny Phillips learned from a hotel switchboard operator that Black Diamond #1 had struck oil and promptly returned to Calgary. The next morning, a reporter stopped by his hotel room to ask if Phillips had any Black Diamond stock to sell. Phillips replied affirmatively—unusual for an oil company, Buck had given Martin and Phillips shares in the company as an incentive to keep drilling. But Phillips told the reporter the stock was worthless; the reporter responded it was not. Word around town was that Buck had drilled the hole a few feet deeper and struck oil, and Buck handed vials of oil-streaked water as proof. Phillips blurted that Buck was lying, explaining that International Supply had removed their tools and crew from the site, leaving only a driller and a tool dresser to watch over the derrick. Phillips doubted Buck possessed the wherewithal to drill the well any further. Phillips then went to Buck's office to confront him, only to find investors flooding the office, clamouring to buy Black Diamond #2 stock. Buck met Phillips at the door and hustled him into a back room. In the privacy of the office, Buck handed Phillips a cheque for $500 in partial payment on the $12,000 he owed and claimed that he had managed to drill a few feet further and struck oil, showing Phillips a bottle of oil allegedly from the well. Journalist and historian John Schmidt wrote that it was only at this moment that Tiny Phillips realized for the first time that Buck had salted the well and involved some of his employees in the process. After a heated exchange, Tiny Phillips severed all ties between International Supply Company and Black Diamond and left Buck's office to go to the well site to collect driller James Hayes. Once there, Phillips found the well site protected by armed guards. When questioned, driller Hayes told Phillips that Buck had brought a barrel of oil to the well and poured it in, "salting" the well. According to Phillips's account, he took Hayes to the railroad station and the driller left Calgary never to return. But court testimony later revealed that Hayes left International Supply Company when Phillips and Martin severed ties with Black Diamond Oil Fields on June 25. Instead of returning to the United States, Hayes was hired by Buck directly to continue drilling Black Diamond #1, with Buck sending him out of town to buy a string of tools to replace the ones removed by International Supply Company. Regardless, Phillips began telling anyone who would listen that it was impossible for Buck to strike oil. "However, my words did not seem to have any effect on the investing public," noted Phillips. "They were buying up stock like mad."[54]

The Natural Gas and Oil Record reported receiving private assurances that Black Diamond had struck oil but added that Buck would not confirm the same publicly, injecting a healthy dose of caution with its observation that "this is the Well of Mystery." Noting Buck's wild swings in transparency over the past month—from protecting the well with armed sentries to holding picnics on the property—the *Record* concluded, "It seems to us something like the old game—'Now you see it; now you don't.'" A week later, referencing a growing push by the attorney general's office cracking down on false advertisers, the *Record* suggested that "if the crown prosecutor will look over the advertising of a certain company and compare promises and statements with results that he will find plenty to keep him busy." The constant needling by the editor of the *Record* prompted Buck to promise he would swear out a warrant for the arrest of Tucker if given an opportunity.[55]

Growing unease with the frequency of stock market frenzies created by bogus rumours increasingly defined the emerging Alberta industry as brokers and investors both reacted violently to rumours. "It could take hours for a messenger to get from a telephone to a wellsite and back again," wrote the *Western Oil Examiner* decades later. "A rumor that would send the stock up in the afternoon might be exploded by the time the evening auctions got underway; or vice versa."[56] Reports of the rumoured strike at Black Diamond reached as far south as Spokane, where the *Chronicle* noted that Calgary newspapers were "anxious from the start to get true reports of the development work" and to disprove false alarms. In 1914, not only was Spokane the largest, and most proximate, US city to Calgary, it also had a distinguished history of providing capital for western Canadian mining ventures.[57] Contemporary estimates suggest Calgary oil promoters raised as much as $200,000 ($6.1 million adjusted for inflation) in Spokane alone. This compares favourably to the estimated $250,000 ($7.7 million adjusted for inflation) raised by Calgary oil companies in Vancouver.[58] The difficulty, noted the *Chronicle,* was that there were too many oil companies and corporate officials were too hard to reach, causing problems for potential investors seeking accurate information. "It often takes hours to get the facts after a rumor gets afloat," noted the Spokane paper. The reporter pointed out that, usually, "orgies of speculation" based on rumours started between editions of the newspapers. Calgary's southern neighbours sounded increasingly cautious and skeptical about the Calgary boom, pointing out that "the temper of the people and the method of the oil wildcatter" made investing increasingly risky and dubious. To prove its point, the paper pointed to Ira Segur's decision to drill a wildcat well in the Sweetgrass area near the international boundary and the frenzy that resulted of companies and investors rushing to snap up acreage. Then the market flooded with a deluge of shares based on nothing more than dubious holdings that informed opinion considered to be practically worthless. Slowly but surely, the boom became a caricature of itself where the phrase "Calgary oil" became the punchline. The Crescent Menswear store in Spokane pitched a new lightweight suit that "will add so much to your comfort it will prove a lot better investment than most of the Calgary oil stock."[59] The machinations of the rogues and charlatans had clearly left a mark.