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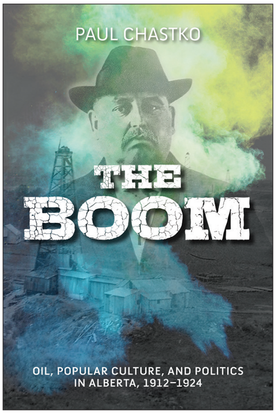

THE BOOM: OIL, POPULAR CULTURE, AND POLITICS IN ALBERTA, 1912–1

by Paul Chastko

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“The Formation of These Companies . . . Should be Stopped:” Speculation and the Newspaper Feud

> *It appears to the writer that the conditions demand that those in whose hands the destinies of Calgary are now placed—I refer to the city council and the board of trade—should issue a warning of the most serious character to the investing public of the world, to stand back and not to permit themselves to be carried away with dreams of ready-made fortunes until the actual truth and facts be demonstrated. . . . The gravity of the situation cannot be over-estimated and it behooves conservative business people to apply the breaks* [sic] *of reason and sound common sense to a situation that is big, and concerns everybody interested in the financial and industrial future of western Canada.*
>
> —“An old oil prospector,”
> Letter to the Editor
> *Calgary Herald*, October 15, 1913

After God had finished making the rattlesnake, the toad, and the vampire, he had some awful substance left with which he made a knocker. A knocker is a two-legged animal with a corkscrew soul, a water-sogged brain and a combination backbone made of jelly and glue. Where other men have their hearts, he carries a tumor or decayed principals. When the knocker comes down the street, honest men turn their backs, the angels weep tears in Heaven and the devil shuts the gates of Hell to keep him out.

—"The Creation of the 'Knocker' Explained"
The Bellevue [Alberta] Times
June 19, 1914

Before the proliferation of radios and well before the introduction of television, newspapers served as the defining medium of the age. Three major daily newspapers, a broadsheet dedicated to oil and gas news, various magazines, and a weekly, epoch-defining paper published "semi-regularly" with international reach vied for readers' attention in Calgary. Each, in its own way, contributed to public debates regarding the development of Alberta's emerging petroleum industry. Newspapers carried wide-ranging discussions about the balance between the public and private sectors in resource development and the allocation of benefits between different groups, as well as offering differing interpretations of what constituted the public good, fairness, and equity.

In the late fall and early winter of 1913, a sharp divide emerged between William M. Davidson of *The Morning Albertan* and the afternoon dailies of George Marshall Thompson (*The Calgary News Telegram*) on the one hand and James Hossack Woods (*The Calgary Daily Herald)* on the other. At its core lay differing views of development, the role of the state in the economy, the operations and efficiency of markets, trade-offs between the public good versus individual interests, and differences of opinion about the role and desirability of speculation in the oil boom.[1] The differing world views of the editors reflected their different priorities and experiences, shaped the way their respective papers covered the emerging oil boom, and illustrated the growing importance of the monopolist/populist debate within Alberta's oil culture.

At one end of the spectrum sat Woods and the *Herald,* who craved the control and certainty of an oil patch dominated by the majors—the integrated corporate giants born in the last quarter of the nineteenth century and best exemplified by John D. Rockefeller's Standard Oil.[2] Calgarians should preserve their savings and refrain from investing in any oil company operating in the province until the field struck oil. Woods reasoned that, with access to larger sources of capital, skill, technology, and industry knowledge, the majors possessed all the necessary means to develop Alberta's oil fields and ensure its rational integration into petroleum's pre-existing, and increasingly global, transportation, refining, and marketing networks. In his writings Woods and the *Herald* clearly conveyed their disdain for speculation, regarding it, as R.H. Mottram did, as the mark of a true gambler who takes risks "for risk's sake, for the pleasure of the thrill and the vanity of success."[3] Woods's world view reflected the social liberalism of British thinkers like Thomas H. Green who saw freedom as being much more than the absence of coercion. Rather, people would reach their full potential within the boundaries of a healthy and vibrant community. Thus, unlike classical liberal thinkers who argued markets are efficient and envisioned a minimal role for the state, social liberals like Woods believed people and markets were neither always rational nor efficient and necessarily believed in a more active role for government that included responsibilities for regulating business and exercising oversight to ensure order and predictability over a chaotic industry.

Davidson and the *Albertan,* on the other hand, expressed more classical liberal beliefs about the infallibility of markets and rational behaviour of investors. Davidson did not trust government regulation and believed individuals made the best possible choices for themselves within the confines of a robust, competitive market. He embraced the populist rallying cry of freedom and opportunity and denigrated the supposed order and rationality of big business as a fool's errand wherein only the rich grew richer. Only through development by many independent entrepreneurs embracing the chaos and cutthroat competition of laissez-faire capitalism would the province and its citizens prosper. Davidson and his contemporary George Thompson at the *News Telegram* argued for development by the independents and financed through speculation, which Davidson saw as inextricably linked to entrepreneurialism and the prototypical independent "oil man." Where Woods saw danger and believed the interests of consumers needed to be protected from the vicissitudes of the market, Davidson countered that petroleum represented freedom and opportunity. Thus, the pages of the *Albertan* argued that the future depended on small investors getting into the industry as soon as possible to realize the greatest profits. The respective views of Woods and Davidson reflected diverging interpretations about the meaning of freedom and democracy, morality, regulation, and the role of the state versus the market.[4]

As their editorials grew increasingly heated, the feud between the editors about the meaning of freedom and democracy involved members of Alberta's new petroleum fraternity, who largely agreed with Davidson's classical liberal argument and took his side, in part because it coincided with early twentieth-century beliefs about local boosterism The feud produced one lawsuit alleging the publication of slanderous remarks and led to the creation of an industry association, the Alberta Oil Development Association (AODA). In turn, the AODA claimed responsibility for countering anything its members deemed "misinformation" about Alberta's nascent new industry. In an increasingly tense and supercharged atmosphere, some anonymous oil industry boosters, likely from the AODA, threatened both the *Herald's* publisher and editor, illustrating the faith oil's boosters had in the industry, their intolerance of criticism, and their single-minded pursuit of economic growth.

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James Hossack Woods, the editor of the small "c" conservative *Herald*, came from a prominent Quebec family. Born in Quebec City in 1867, he was the son of Alexander Woods, who served as chair of the finance committee of Quebec, and later as Canada's first consular official in Australia. James Woods began his journalism career as a reporter with *The Toronto Mail and Empire* in 1893, where he later became the city editor and parliamentary correspondent covering the press gallery in Ottawa. Woods also served as the news editor of *The Montreal Herald* and the business manager of *The Toronto News* and founded the Woods-Norris Advertising Agency before arriving in Calgary in April 1907 to take over as managing director and editor of *The Calgary Daily Herald* until 1935, when he retired and became president, a position he held until his death in 1941. The oldest of Calgary's three major dailies, the *Herald* began publishing in 1883 as the voice for the policies of the ranchers, the railroads, and the federal Conservative Party. Canadian popular historian Pierre Berton once described the paper as being "as raw as the frontier," noting that *The Calgary Daily Herald* once assigned a photographer to follow the premier of British Columbia, the Honourable John "Honest John" Oliver "in hopes of catching him drunk enough to run a damaging photo on page one." Although Berton claimed John Oliver as the target, it seems far more likely that the *Herald's* Tory-blue editor would have targeted the former editor of the Liberal-backed *Edmonton Bulletin,* Frank Oliver, who also served as an MP and a minister in Wilfrid Laurier's Cabinet.[5]

Having been at the helm for less than a year, Woods succeeded in attracting friendly outside capital from William Southam of Hamilton to help grow *The Calgary Daily Herald*. With the company reorganized as the Calgary Herald Publishing Company, the *Daily Herald* became the third paper in Southam's growing coalition of newspapers that included *The Hamilton Spectator* and *The Ottawa Citizen* and would soon add the *Edmonton Journal*. Unlike the Hearst chain in the United States, each Southam paper retained mutual stylistic and editorial independence and only followed one central directive from Southam—to have the largest circulation in its market, a process Woods facilitated by helping found a regionally based news association, the Western Associated Press, in 1907, which challenged the unreliable news distribution services offered by the two telegraph companies, Canadian Pacific Telegraphs and the Great North Western Telegraph Company. In August 1907, Canadian Pacific Telegraphs abruptly announced a unilateral rate increase to four times the current rate at the same time they planned to cut services. Canadian papers banded together to create a news service that met their need for increased overseas and international news and that augmented their Canadian news coverage by using their correspondents in other parts of Canada to gather Canadian news. By 1917, this became known as the Canadian Press.[6]

The *Albertan's* editor William M. Davidson followed a path similar to that of Woods into the Calgary newspaper business. Born in 1867 at Wellington, Ontario, and educated at Toronto University, Davidson began his journalistic career as a staff reporter on *The Toronto World* before moving on to the *Toronto Star*, where he joined the press gallery for the Ontario legislature, demonstrating a subtle and nuanced grasp of public issues over the next seven years before becoming editor of the *London News*. In 1902, Davidson moved to Calgary and bought *The Morning Albertan,* becoming the editor-in-chief as well as proprietor. On Davidson's watch, Calgarians perceived *The Morning Albertan* as the Liberal Party's mouthpiece, and he ran the paper until selling it in 1926. Active in the Alberta Liberal Party and a shameless civic booster, in 1905 Davidson travelled to Ottawa as part of a municipal delegation lobbying Wilfrid Laurier's government to make Calgary the provincial capital of the new province. But Calgary elected a Conservative representative while Edmonton elected Liberal Frank Oliver, settling the matter for the Laurier government. What stung Davidson more, however, was Premier Alexander Rutherford placing the provincial university in his home riding of Strathcona in Edmonton instead of Calgary. An embittered Davidson excoriated the leader of his party, calling the decision "the despotic act of a small dictator."

He also held elected office—once as a school board trustee and twice as a Member of the Legislative Assembly (MLA). Davidson ran the *Albertan* on a shoestring budget. Decades later, one former reporter remembered that, when he was hired, he was told his salary would be fourteen dollars a week—if it was paid at all. The frugal existence of the *Albertan*, complete with outdated equipment, insufficient staff, and not nearly enough cash, became evident when an April 1913 fire caused $50,000 worth of damage to the *Albertan's* building and plant while the paper carried only $25,000 worth of insurance. "It had nothing but nerve," recalled Davidson, "which was not backed by experience or very much real wisdom." [7]

The youngest of the three papers, *The Calgary News Telegram,* also had the youngest of the three editors. The son of a Canadian customs official in Port Hope, Ontario, and a printer by trade, the red-headed George Marshall Thompson was thirty-one when he travelled to Saskatoon in 1906 with his business partner, Charles Elmer Tryon, to launch the *Saskatoon Capital*. The two men ran the *Capital* on a shoestring budget as the paper struggled to survive. One reporter recalled that the two men frequently fought over the use of the one light that served both the business and editorial offices. The arguments occasionally grew heated, prompting several threats to dissolve the partnership. The two struggled to keep the paper afloat or make payroll and often collected advertising money on the weekends to make ends meet.[8] They sold the *Capital* in 1912 and the paper eventually became *The Saskatoon Daily Star*; Thompson and Tryon relocated to Calgary to take over the management of the two-year-old *News Telegram*. As editor, Thompson endeavoured to ensure his paper dealt with issues rather than personalities, but his departure from Saskatoon elicited something stronger than a sigh of relief from rival paper *The Saskatoon Phoenix*, whose editorial page all but frog-marched him out to the city limits. The *Phoenix* accused Thompson of possessing a raging ego and claimed that, under Thompson's influence, the *Capital* represented the worst of "low-type journalism" in the city and succeeded in infuriating Conservatives and Liberals alike. Few would lament his departure for Calgary, as the rival paper also alleged the *Capital's* new owners had changed the paper's name to *The Saskatoon Daily Star* "to get away from the past and the record of the *Capital*." The *Phoenix* concluded its scathing epitaph of Thompson's time in the province with a dismissive wave of the hand: "His end had come, people were not interested in him, nor are they now. There is no reason why he should be further inflicted on this community."[9]

Reporter Fred Kennedy recalled Thompson wore "peg-top pants with a suit coat that reached almost to his knees. He also wore 'American-type' boots with exaggerated toe swell and smoked ill-smelling cigars. He had a large and pretentious private office complete with fireplace. But his pride and joy was a huge brass cuspidor that he could hit dead centre with unerring accuracy."[10] Like Davidson, Thompson was actively involved in the Liberal Party. Often described as a partisan firebrand, Thompson could, indeed, be staunchly partisan but also displayed signs of nuance. He stood apart from his party when it came to the question of natural resources ownership. In 1905, Liberal prime minister Wilfrid Laurier ensured that control of the natural resources of Alberta and Saskatchewan remained in the hands of the Dominion government in exchange for a federal grant of $375,000 annually to offset lost revenues. Indeed, Thompson believed so fiercely that the two western provinces deserved control over their own natural resources that he briefly considered running as a Conservative in the provincial election of 1913. In 1920, Thompson and his wife left the newspaper business altogether, moving to Toronto to become the manager of the Strout Farm Agency of New York until he retired in 1932.[11]

One other major presence existed in the Calgary newspaper market: Robert Chambers "Bob" Edwards and the *Calgary Eye Opener.* As the *Eye Opener's* sole editor and reporter, Bob Edwards earned the reputation as the prototypical Calgarian and the social conscience of the city.[12] Edwards founded the paper in High River in 1902 before settling in Calgary in 1904, and by the time of his death in November 1922 he had published as many as 500 issues. According to historian Hugh Dempsey, the *Eye Opener* was more "Bob Edwards's personal platform for social content and humour" than a traditional newspaper.[13] To be sure, Edwards did cover news stories, but he had more in common with literary social satirists and progressives like Mark Twain and H.L. Mencken in launching attacks against political corruption and pursuing reform with equal zeal. Although billed as a weekly, the *Eye Opener* possessed neither printing facilities nor a regular staff. A binge drinker and alcoholic who openly discussed his struggles with sobriety in his paper, Edwards published the *Eye Opener* according to his own schedule—"semi-occasionally." If a few weeks passed between editions, Calgarians suspected Edwards was either drying out in a hospital or simply did not have much to say. "I haven't bothered publishing a paper since the December [1914] municipal elections," Edwards wrote to nurse Jessie McCauley Ross in February 1915. "Though I intend coming out on the twentieth of this month just to show the maddened populace that I haven't been killed in the trenches."[14]

Like the muckrakers, Edwards loved nothing more than skewering the powerful while comforting the meek. Edwards tended to mistrust large combinations, like the Canadian Pacific Railway, and reflexively backed the underdog. A staunch advocate for women's rights, he also argued that health care was a basic human right. But it was his literary style, irreverence, humour, and willingness to tilt at windmills that drove the *Eye Opener's* circulation to over 18,500 in 1908 when Calgary's population was 10,000 people, making it the largest circulation between Vancouver and Toronto. His keen eye and biting wit gave Edwards international reach; the *Eye Opener's* subscription list extended across much of Canada, the United States, and Great Britain, and reprints of Edwards's articles appeared in newspapers across North America. "Calgary," allegedly said one prominent New York politician in the early 1900s, "is, I believe, a place in Canada where the *Eye Opener* comes from." The paper and its editor possessed substantial cachet and were more than willing to wield it. Indeed, despite his well-known struggles with alcohol, Edwards's support for Alberta's prohibition movement in 1915 may have proved decisive as Albertans adopted prohibition in 1916. Edwards, wrote Grant MacEwan, "exerted a public influence which probably surpassed that of any western editorial or political figure of his time."[15]

Of the three daily editors, Woods preached a more cautious and pragmatic approach to the possibility of finding oil to the south of Calgary, perhaps because of his previous experience with petroleum investments. Woods owned leaseholds in southern Alberta and joined with partners Fred Lowes and Jim Cornwall to form one of the first syndicates to explore the mineral wealth of Norman Wells in the Northwest Territories. While the wet gas and condensates present in the Dingman well usually indicated the presence of crude oil, the reality is that the main crude structure still eluded Dingman #1. In much the same way that Dingman maintained that an oilfield existed only after it produced oil, Woods remained sceptical of overheated rumours and reports trumpeting oil in commercial quantities. Supposing for the moment that oil existed beneath Turner Valley, Woods knew than no company could absolutely guarantee their drill would find it without suffering from some calamity, like a cave-in, a bent pipe, or running out of cash, and he believed he had a responsibility to educate investors about the risks of investing in an unproven industry.

Conditions were ripe for abuse and the emergence of a bull market reminiscent of recent mining booms in British Columbia and Ontario. During those events, newspapers and magazines such as the Toronto-based *Financial Post* and *Saturday Night* played a crucial role in exposing the unseemly side of stock market promotions.[16] Starting on October 24, 1913, *The Calgary Daily Herald* expressed concern about the sudden appearance of a dozen "bucket shop" brokers (unlicensed share dealers) buying and selling oil stocks on the streets of Calgary, many for recently formed oil companies trying to capitalize on the excitement created by the Dingman discovery. But two additional concerns lurked behind the *Herald's* actions—the fear that unscrupulous promoters were preying on the desperation of the growing number of unemployed congregating in the city in the autumn and winter of 1913–14 and a belief that desperate Calgarians hoped they could resell oil stocks quickly at a higher price.[17]

The prolonged period of economic growth in the Canadian and Albertan economies ended in 1912–13 as several factors converged to bring about the onset of economic hard times. World historians classify the fifty years before the Great War as the first "Golden Era" of globalization, featuring the free flow of capital and labour across national borders with few impediments or restrictions. Indeed, prior to the Great War, Canadian and US currencies were interchangeable at par, cementing the ties between the two national economies.[18] Technological transfer accompanied the movement of people and goods. Since 1897, massive investments to extend communication and transportation networks had underwritten the dramatic expansion of prairie wheat exports and brought international capital and immigrants to both the Canadian and Albertan economies. In a country flush with money and new residents, a construction boom, financed by British capital, produced railways, farms, and homes, and grew the cities. Historians John Feldberg and Warren Elofson estimate that total British investment in Canada from 1900 to 1913 in securities, insurance, and other forms amounted to $1.75 trillion.[19] In turn, the construction boom fuelled the consumer goods sector of central Canada and iron and steel manufacturing in Nova Scotia. But then the economy entered a recession after completion of the two transcontinental railway projects threw thousands of labourers out of work and the two largest sources of Canadian investment capital suddenly dried up. In Great Britain, disruptions caused by the Balkan Wars (1912–13) sharply constricted British investments in Canada and dealt a heavy blow to Calgary investors in construction and real estate speculation. So too did the onset of the recession of 1913–14 in the United States.[20]

Despite several promising signs and record profits in some sectors, most notably in manufacturing and construction, the province's economic growth in the last quarter of the nineteenth century and first decade of the twentieth century was far from even.[21] Not everyone prospered during the long boom of 1896–1912. Despite a tenfold increase in production to three million tonnes between 1897 and 1910, the province's coal mining sector struggled to serve more than a regional market due to high transportation costs and tariff walls that precluded it from more lucrative eastern Canadian and US markets. In agriculture, small-scale, labour-intensive farming dominated through the early 1900s where the combination of arid land, a short growing season, labour shortages, and a lack of specialized equipment limited crop yields and precluded large-scale operations. Alberta's agricultural output increased dramatically between 1900 and 1910 due to a combination of railroad development, increased immigration, the proliferation of dry-farming techniques, crop rotation, better irrigation, and the availability of Marquis wheat seeds (with a shorter growing period and higher yield). But Alberta's production of wheat still lagged behind that of Saskatchewan and Manitoba; the province's farmers produced more lower-priced oats, barley, and rye.[22]

Changes in ranching were perhaps the most dramatic. In less than forty years large-scale commercial "open range" operations rose and fell. As ranching historian Warren Elofson notes, the large corporate combinations initially spread to the northwestern plains as an outgrowth of developments in the United States and attempts by the Dominion government to capitalize on the "beef bonanza" taking place. However, the corporate ranches struggled mightily to overcome the challenges of conducting their business in new territories that were only aggravated by steadily declining cattle prices after 1882. No fences meant no protection against predators—whether wolves or cattle rustlers—or myriad other problems, like disease, poor breeding practices, or the effects of Alberta's harsh and unforgiving climate, all of which raised costs and ate away at profits. Alberta's corporate cattle ranches could neither maintain profitability nor attract enough capital from national or international investors to sustain operations, forcing them to take on debt to survive. The brutal winter of 1906/7 hit large corporate ranches particularly hard. The loss rate, largely due to mass starvation of herds, reached as high as 50 percent, spelling the end for many of Alberta's large-scale ranches. In its place were much smaller operations—perhaps around 100 head of cattle—"family"-run ranch/farms that eventually solved many of these challenges by adopting new methods and techniques.[23]

The general prosperity masked other problems. The first tangible signs of economic distress hit Calgary's construction sector as building permits fell from a record high of $20.4 million in 1912 to $8.6 million in 1913 and continued to slide. By 1915, the value of building permits fell to just $150,500 (see Table 2-1).[24] Construction was not the only sector affected. The recently completed CPR shops at Ogden, designed to employ more than 2,000 mechanics, laid off hundreds of workers and by the summer of 1913 placed the rest on reduced schedules.[25] Wheat prices dropped in 1912 and did not recover until 1915. Also, by 1912, the western land boom ended, and investors began selling urban landholdings. Unmistakable signs of a slowing economy in western Canada intensified after the autumn harvest ended, when an additional 40,000 seasonal workers across the west were unemployed. All 400 real estate concerns in downtown Calgary sat closed and shuttered; by December 1913, Calgary's unemployed reached 10 percent of the population, with 2,000 tradesmen and 3,000 unskilled labourers out of work. In Edmonton, at least 4,000 of the city's 72,000 residents were unemployed, numbers so large that they soon organized themselves into the "League of the Unemployed." On December 31, 1913, an "ill-clad army" of about 1,000 unemployed marched on Calgary's city hall demanding that the city provide work to everyone "regardless whether they are married or single and regardless of color, race and nationality" with a minimum wage of thirty cents per hour and not less than nine dollars per week. If the city could not provide employment, protestors demanded three meal tickets a day, each good for a twenty-five-cent meal at a local restaurant, as well as a clean place to sleep. City hall representatives responded that the city could not do anything more than it was doing. All public works projects continued, and the city provided employment to men on alternate weeks to try and provide the greatest amount of relief to the largest number of people. But city officials confessed that, even if they could begin all the public works projects they could (winter's frost prevented digging ditches and trenches), the city's limited resources could only provide relief for about 500 of the assembled workers.[26]

Yet the slowing economy did not deter the influx of immigrants to the West, particularly large numbers from the United States and Britain in search of better opportunities, exacerbating the economic tough times on the prairies. Private charities throughout the province strained to provide relief. The public debt of the province grew from $1.2 million in 1908 to $56.2 million in 1913, while national revenues dropped from $168.7 million in 1912 to $133 million in 1914.[27] Historian David Bright writes that, even before the onset of the depression, many Calgarians struggled to make ends meet. While wages increased in Calgary between 1903 and 1912, inflation likely outstripped nominal gains as retail prices grew 40 percent over the same period. Thus, even before the onset of the economic depression in 1913, a single wage earner could not support a working-class family. Wage earners turned

Table 2-1 Value of Building Permits in Calgary, 1910–1915

	1910	1911	1912	1913	1914	1915
Building permits	$5,589,594	$12,907,638	$20,394,220	$3,619,563	$3,435,350	$150,500

Data adapted from "Calgary's population," *Calgary Herald*, October 20, 1916, 6.

to a variety of measures—from penny capitalism to prostitution—to supplement incomes.

Given the increasingly dire circumstances, various civic leaders expressed concern that curb brokers and bucket shops would capitalize on the dreams of gullible investors of easy riches won via the stock market. Visiting the city in October 1913, Vice-President George Bury of the Canadian Pacific Railway noted the "great efforts" made by curb brokers to sell oil stock to all passersby. "It is to be hoped that those concerned in the permanent prosperity of the city and province will not allow the wage-earner and the small investor to be victimized," warned Bury.[28] But oil provided a ray of hope in an otherwise cold and grey winter, particularly as new oil companies formed and sought to raise investment capital through the sale of shares to the public, offering them the dream of future riches and financial security. The *Herald* regarded the possibility of Calgarians speculating in oil stocks as the economy slowed with scarcely concealed horror. Even cursory inspection revealed that many companies selling shares lacked both the capital and the inclination to develop an oil and gas field. Some companies did not specialize in the production of oil and gas, argued the *Herald,* as much as they did in separating investors from their hard-earned cash.[29]

To make its point, and to increase public literacy about the difference between real estate investments and stock speculation, *The Calgary Daily Herald* ran a series of front page articles between October 24 and October 31, under the generic headline "the floatation of oil companies." Billing the series as a public warning, the paper went to great lengths to assert its faith in the "character and permanency of the oil field" but nonetheless challenged the fundamental premises of Alberta's emerging oil culture—namely its belief that individualism, competition, and unfettered capitalism would produce the greatest returns for the largest number of people. More significantly, however, the series also dared question the greatest intangible asset necessary for the oil industry—faith in those things unseen. Woods and his paper rationally, dispassionately, and stubbornly insisted on proof. Proof that an oil field existed, not just surface seepages of oil and wet gas. Proof that the company investors placed their money in would drill for oil, not simply sell dreams. For *The Morning Albertan* and other industry supporters, the *Herald's* insistence on proof represented nothing short of apostasy and a breach of the public trust.

Thus, while the parameters of the public debate between the papers and the industry conform to other progressive era clashes between the interests of businesspeople and the professional classes, additional layers of local boosterism and optimism about the West influenced Davidson's writings and complicated his criticism of Woods's approach with the *Herald*. The *Herald* advocated pursuing the development of the oil fields with information and expertise mobilized in service of the broader community. What concerned the *Herald* were "the unwarranted promotions that are being based on present knowledge and reasonable expectations." In its estimation, less than one in ten emerging companies was a fair investment. Less than one in a hundred would provide investors with a reasonable return. Less than one in a thousand would return proportionate interest to investors. This, concluded the editorial, justified drastic measures: "The *Herald* believes that the formation of these companies, or at least the selling of their stock to the public, should be stopped." The campaign enlisted the support and backing of the city's elite, as represented by the mayor, Herbert A. Sinnott, J.W. Campbell of the Board of Trade, and Oscar G. Devenish of the Industrial Bureau. The three men issued a joint statement that emphasized the uncertainty and speculative nature of oil exploration, cautioning that "it is impossible to state whether the oil found merely came from a seepage, or indicates the existence of a large deposit at a greater or lesser distance or depth." As drilling continued, the letter warned the public "against placing too great confidence in circulated reports and particularly urged to exercise care in investments in oil leases, or in the stocks of companies or syndicates which have been or may be formed for oil exploitation." The article on October 25 raised several concerns, including the possible damage to the city's reputation if it produced an oil boom where "hundreds of companies are formed that never make a dollar for their shareholders." Even if the oil field proved productive, the damage done by illegitimate operators and speculators to the city's reputation could be incalculable. In the absence of government action, information and education campaigns were the best way to protect unwary investors and the city.[30]

The articles tried to build financial literacy in its readers by breaking down the process, from the acquisition of oil and gas leases to the drilling of a well. In the absence of "blue sky" laws requiring transparency in company prospectuses, the series taught readers how to read a prospectus critically by explaining the difference between capital stock and promotion stock, the necessity of acquiring access rights from surface rights holders, the potential for litigation, and how to determine if the company was a good investment by assessing its assets and liabilities. To illustrate its points, the articles used case studies provided by start-up companies, like the Paraffin Oil Company and Rocky Mountain Oil Fields, for readers to consider. The two companies were among the earliest start-ups offering shares to investors but had yet to acquire drilling rigs or spud a well. The prospectus of the Paraffin Oil Company provided the substance for the October 25 article while the Rocky Mountain Oil Fields prospectus received coverage on October 27, 1913. The paper studied one last company, Black Diamond Oil Fields, on October 28 before turning to a general discussion of the oil patch. Cumulatively, the articles provided a background primer on stocks, investing, and the emerging oil boom.

In all three cases assessed by the *Herald,* the companies did not hold tangible assets—either existing oil production to sell, or capital plants, like a derrick—to prove to investors their intent to drill. In fact, the *Herald's* articles pointed out that the only asset most of these new companies used to set the value of their shares were oil and gas leases. In themselves, the leases did not hold any actual value, nor did they guarantee an oil find—they were more like gambling or lottery tickets. Individuals or companies could purchase mineral rights from the Dominion Land Office for "about $150.00 a section" (actually $165 per section) or more if bought from a previous leaseholder. The company then converted the value of the lease into cash, stock, or both, at an exceedingly high price relative to its actual cost from the Dominion Land Office. Since securing mineral rights from the province cost twenty-five cents per acre, this meant that some companies now "paid" themselves between ten and twenty-five dollars an acre to acquire those oil leases, an increase of between 3,900 and 9,900 percent over what they paid for them from the Dominion Land Office. This alone, argued *The Herald*, was reason for small investors to be sceptical. But possessing the mineral rights to a parcel of land did not guarantee the oil company the right to access the land if another individual held the surface rights. Unless the company obtained the written consent of the landowner, a company could not prospect, drill, or otherwise do anything to prove up the mineral rights contained in the lease. Furthermore, the land office did not recognize the transfer or subdivision of leases attempted by some companies and only permitted the drilling of a single well for every 640 acres of leasehold. Small investors therefore needed to be alert to the potential for litigation to precede or follow any attempt at development.

The Paraffin Oil Company provided an interesting case study because the company, capitalized at $500,000, paid two men, both of whom were directors, $399,990 worth of shares for oil leases to 1,120 acres of land. In turn, the sellers agreed to drill a well to a depth of 1,500 feet within a year. When drillers completed the well, the sellers would then receive an additional $100,000 of treasury stock. Paraffin Oil would then sell 199,995 shares of promotion stock at fifty cents a share to raise an additional $100,000; of that sum, the company promised to set aside $10,000 to drill a well. Thus, when the public, not the company or its directors, provided the capital to drill, the directors would make a $90,000 profit on 1,120 acres of unproven oil rights plus earning for the directors *another* $100,000 worth of treasury stock. Given such conditions, the *Herald* concluded it impossible to see how any investor could realize a profit.[31]

On Monday, October 27, the paper turned its attention to the prospectus of Rocky Mountain Oil Fields Limited, which had different particulars. Rocky Mountain publicly offered shares to provide $50,000 of the company's authorized capital of $100,000. The prospectus also revealed how the company bought 1,920 acres of oil leases from gentlemen now serving on the company's board of directors. Initially, the company paid these men $50,000 for the 1,920 acres of oil leases, divided unequally between shares and cash—$30,000 worth of shares and $20,000 in cash. But when the Dingman well proved oil existed in the field, the vendors exercised an option in their contract to take their entire payment in stock, meaning the vendors now owned half the total stock in the company in exchange for the leases. This meant the remaining half of the company's stock would necessarily provide the entire working capital for development. The prospectus further claimed that the company would offer no promotion stock and that there would be no promotion expenses. Every cent acquired from the sale of stock would be used in development. The *Herald* then posed three important questions: Is the company paying the promoters too much for the oil leases? Will the sale of the remaining shares provide enough capital to develop the company's leases? Finally, is an investment in Rocky Mountain Oil Fields a good one for investors?

The article allowed that the answer to these questions depended on the individual, but offered a few observations. The first was that the company effectively paid $50,000 for 1,920 acres of unproven oil leases—roughly twenty-six dollars per acre for land that lay between three and eight miles away from the Dingman well. It would be difficult for promoters to claim that these sections of land were any more or less likely to be valuable than any of the other leases that surrounded them. Furthermore, speculators could buy nearby leases for much less than the twenty-six dollars per acre paid by the company. Remembering that half of the company's capital stock paid for the leases, $50,000 hardly seemed sufficient capital to develop the remaining two leases. In its concluding remarks, the *Herald* pointed out that this was not an investment but was, rather, rank speculation. "This company, like all other companies being formed, bases its chief claim to value on the fact that oil has been discovered in the Dingman well," summarized the paper. If the company and its operators had such faith in their property, let them put prove it first by putting machinery on the ground and spudding in a well without asking investors to bear the entire risk.[32]

After assessing the prospectus of Black Diamond Oil Fields on October 28, the *Herald* turned its attention to the attitude of civic leaders, like council member Thomas Alfred Presswood ("Tappy") Frost. Born in Norfolk, England, in 1865, Frost came to Canada in 1887 and decided to study for the ministry at Woodstock Baptist College in Ontario. Ordained as a minister in 1889, Frost arrived in Calgary as pastor of the First Baptist Church in 1896 after serving at five Ontario churches. In 1904, Frost resigned from the ministry and found a second career as a psychiatrist with Alberta's Department of Health. As the first registered cardholder at the Calgary Public Library, Frost had roots in the community that were deep and wide. Described as a Liberal in politics and a Baptist in religion, Frost carved out a reputation of being colourful, honest, progressive, and well-intentioned, ready and willing to deliver a speech at the drop of a hat. Indeed, perhaps the most dangerous spot in Calgary was the space between Frost and a reporter's notebook. He earned the nickname "Tappy" because of the initials of his given names spelled "TAP," as well as for his habit of inspecting the quality of the cement used in sidewalks by "tapping" them with a hammer he carried. During the Great War, Frost served overseas with the 89th Battalion as a quartermaster sergeant and worked for the Department of Soldiers' Civil Re-establishment at war's end. In 1922, he accepted an appointment as psychiatrist at the Ponoka Institution, where he worked until he passed away in 1927. Considering his record of service to the community, in 1915 the *Herald* wrote that the great progressive Republican president of the United States, Theodore Roosevelt, was little more than a "'glorified Tappy' Frost," cheekily adding that "somewhere here there is a large-sized compliment concealed, but who for?"[33]

In 1913, however, the *Herald's* Flotations campaign plainly irritated Frost, as did its general coverage of oil and gas issues. However, his status as a director for Rocky Mountain Oil Fields likely influenced his views. Indeed, the day after the *Herald* published its assessment of Rocky Mountain Oil Fields, Frost responded with a letter of his own to the rival *Albertan*. The council member claimed he wanted to "criticize the Critic," providing investors with all sides of the story. Frost stated he would not directly engage with the *Herald's* criticism of Rocky Mountain Oil Fields and would confine his remarks to the paper's general understanding of the issues related to oil and gas development as it related to two issues in particular: the entry rights of mineral leaseholders to the property and, more generally, the element of risk in oil field development.

Threading the needle carefully, Frost said he did not object to the paper highlighting individual cases "wherever justified" but suggested the *Herald* hire a writer "who has been in the country long enough to know the simple conditions upon which any purchaser of land obtains it from the Crown." The *Herald* found ambiguity around access rights for a property when a different party held the surface rights. Frost claimed the Crown retained mining and mineral rights as well as the right to entry. If the landowner refused entry, wrote Frost, "the crown will enforce entry on application of the lease holder." But the reality was that in the winter of 1913/14, several oil companies encountered stiff opposition from landowners and farmers, some of whom had just learned for the first time that they did not hold the subsurface mineral rights to their property when oil companies appeared on their property. The unwillingness of the provincial government to clarify matters beforehand also caused confusion and uncertainty, delaying the start of more than one drilling operation.

The question of risk, however, proved to be a difference in world view. As Frost saw the issue, the *Herald's* attempt to shield investors from unnecessary risk missed the mark because without risk "no poor man living would have hope of ever changing his position in life." To those seeking his advice about investing in Rocky Mountain Oil Fields, the council member claimed he always replied with a question: How much could the person afford to lose? "Kiss it goodbye with a hope to meet again," he stated. "Because the *Herald* does not know that any company has ordered machinery or done anything that has cost any money is not sufficient justification to use such ignorance in the connection in which it does." Frost then derided the *Herald's* statement that the directorate of Rocky Mountain Oil Fields should personally invest in putting the machinery on the ground without asking private investors for the cash as patently absurd. Frost concluded his letter with the statement "without faith work is dead." The *Herald* replied to Frost's letter that afternoon, and chastised the alderman's statements, saying that Frost's advice "might come well from a bounce-steerer or a race-track tout or an illegitimate stock promoter. It comes poorly from a man who is an alderman of Calgary, and who is supposed, whether truly or not, to represent business sentiment." In any case, the *Herald* pointed to expert geologists like Dowling and Cunningham Craig who questioned the wisdom of the land rush. Dowling criticized the "haphazard mode of taking up leases" and predicted "a great number of these will no doubt be altogether useless." Meanwhile, when asked about the prospects for oil, Cunningham Craig demurred and said he "is not fully satisfied regarding the oil field to the southwest of Calgary."[34]

Taken together, the *Herald's* articles provided a valuable public service. The breakdown and analysis of the three oil company prospectuses alone served as a wonderful primer for beginning investors, alerting them to potential risks, pitfalls, and unanswered questions relating to an oil flotation. The series also illustrated the extent to which the average Calgarian and Albertan remained ill prepared and unknowledgeable about financial matters and investments despite dramatic increases in the number of Canadians invested in the markets.[35] Now was not the time to speculate in risky ventures. "For months back the people of this city and country have been hard up," wrote the *Herald* on October 28, 1913, arguing that people were just paying off debts and only now beginning to save some real money. "Nothing could be worse for them, nothing worse for Calgary, than a boom in oil stocks such as seems to be starting here today." Coming on the heels of the real estate bubble in which so many Calgarians participated, it also illustrated the extent to which speculation in oil and gas stocks represented a different gamble altogether. Real estate retained its reputation as a "safe" investment because investors always obtained something tangible and stood the greatest chance for turning a modest profit. Investing in oil, however, was decidedly different. The risks associated with oil speculation were high risk, high reward. While investors could reap fabulous rewards, the risk came with a greater possibility of losing everything, especially in an unproven oil field like Turner Valley. As one letter to the editor published in the *Herald* on October 30, 1913, argued, "There isn't one of the concerns who are selling oil stocks who would be willing to guarantee that their property contains oil or your money refunded."[36]

Even in these early days, the *Herald* reported that the oil boom attracted some outsiders looking to turn a quick profit. "As one oil man from Kansas frankly put it," informed the *Herald* on October 30, "there are 'easy pickings' to be made." The paper then warned that, unlike the real estate boom, which had kept money in the city, money invested in oil stocks would leave Calgary forever. For Woods and the *Herald*, this fundamental difference underpinned their reticence regarding investing in oil stocks until discoveries proved the field. Archibald Dingman inserted his thoughts in the debate, writing a letter to the editor published in the *Herald* on November 1, denouncing attempts by stock promoters to cash in on the success of the Dingman well. "Up to the present," wrote Dingman, "there is not warrant for anyone to pay over one dollar to any company or proposed company, believing it to be anything more than an ordinary speculative gamble." In the strongest possible terms, Dingman urged potential investors to complete their due diligence before investing and that failure to do so "is not using the ordinary caution exercised in acquiring the money in the first place." Dingman explicitly stated the Turner Valley field was both abnormal and expensive to drill in, requiring liberal doses of time, money, caution, and patience. Calgary Petroleum Products "cannot be held responsible for, nor have we the wish of time, to try and account for the thousand and one lurid reports emanating, most probably, from those who are looking for easy prey." The *Herald* concluded its series much more pithily on November 1: "Save your money, pay your bills, attend to your own business and wait until the Dingman well is finally and fully proved before you even consider putting your cash into these oil stock flotations."[37]

The *Herald's* series attracted international attention, generating plaudits from *The London Globe* and *The Pall Mall Gazette* that, in turn, advised British investors to be cautious until the field could be adequately proven. The series and its conclusions, however, did not sit well with either Davidson, the editor of *The Morning Albertan*, or Thompson of the *News Telegram*, both of whom suspected Woods would actively discourage the "little people" from investing as part of a broader plot to save the oil field for a large major. "The cry of wildcatting," said J. Wadsworth Travers to the *News Telegram*, "which has been so smoothly put forth is having the effect which its promoters thought it would have to some degree at last. The sale of leases has dropped off considerably of late and the small speculator, whose only chance of making any money at all out of the oil strike is to get right in on the ground floor, is beginning to be attacked with cold feet." Given rumours that Woods had recently sold two half sections of oil rights for $5,000, Davidson believed Woods a rank hypocrite. Bob Edwards, editor of the *Eye Opener* and good friend of Davidson, put it most succinctly by asking, "What do you think of a man who will sell a piece of property, then, with his big stick, proceed to make it worthless?"[38]

Starting on October 29, *The Morning Albertan* began its own analysis of the oil companies operating in southern Alberta, starting with Calgary

Petroleum Products. Cumulatively, the articles emphasized the entrepreneurial character of the companies' directors and underscored their standing in the community. The accompanying editorial left little doubt where Davidson stood. To Davidson, the *Herald's* articles smacked of paternalism, betraying Woods's lack of faith in the operation of a free market and underscoring his belief that small investors were like infants in need of protection. Investors, whether large or small, argued Davidson, could decide for themselves whether to assume the risk of investing in the market. "The men who are buying stock in companies at the present time are not the maimed, the halt and the blind," wrote Davidson, alluding to Luke 14:21, "but shrewd business men, many of whom understand that they have better protection in a stock company than in any syndicate that would be formed." A few days later, the temperature in the feud raised a few more degrees. The *Albertan* referred in passing to the region's growing economic crisis and claimed the *Herald* "has declared war upon these companies, and is doing its utmost to destroy the only place where ordinary people, inside or outside of Calgary, desirous of taking a chance, can place their money." Over the course of its response to the *Herald's* series, the *Albertan* opined that oil companies usually failed for one of three reasons: the company drilled for oil or gas in an unsuitable location; mistakes by an incompetent driller—like dropping a tool down the hole and spending all of the money trying to retrieve a failure rather than making a clean start; or profligate spending on office expenses or other "profitless expenses." Thus, according to the *Albertan,* companies with experienced, and proven, business leadership enjoyed a tremendous advantage over those companies that did not.[39]

On November 5, 1913, after charting a "middle-of-the road" course between the *Herald* and the *Albertan* for weeks regarding the issue of speculation, George Thompson published a remarkable editorial arguing that Albertans possessed special characteristics, embedded in the institutions and culture of western Canada, that obligated them to fulfill a quasi-religious "mission" to develop the oil and natural gas resources of the province. Entitled "The Question of 'Oil,'" the piece likened Alberta's first generation of oil and gas entrepreneurs to Christopher Columbus as the "discoverers" of a new world, thus generating an oft-used metaphor during the boom that many still considered flattering. From Thompson's perspective, the global economy and everyday life were already rapidly changing due to the second industrial revolution. The transformations wrought by electricity, chemicals, and petroleum fundamentally altered the economy and society, rewarding some with new opportunities while leaving others behind. The changes were both exhilarating and frightening. Scarcely sixty years before, there was no oil production in the United States, and it was now a multi-million-dollar industry. As the automobile transformed transportation, Calgary would prosper now that the "era of the motor car, and the consumption of crude oil as the motive power par excellence of the age, have just commenced." With rapid urbanization, the proliferation of transportation networks, the employment of "vast armies of workmen," and the creation of hundreds, if not thousands, of private fortunes because of petroleum, the *News Telegram* argued that the pessimists urging caution about developing an oil industry in Alberta "are to be doubted." Referring elliptically but unmistakeably to the *Herald*, the *News Telegram* accused Woods of "usurping the position of local censor and warning the public with the empty and owl-like gravity of the mountebank not to spend one dollar in prospecting for Petroleum by the only method of finding the precious and magic fluid—namely by drilling."[40]

Thompson speculated that in addition to innumerable personal fortunes, petroleum development would increase Calgary's population, wealth, and commerce in the next few years and would infinitely improve the standard of living in the province, region, and country. Beyond this, a whiff of Social Darwinism's emphasis on the survival of the fittest filled Thompson's emphatic message, "WE MUST BE PREPARED TO PAY THE PRICE OF PROSPECTING." Beyond personal fortunes, economic necessity and international competition also argued in favour of development. The sheer size of the Dominion meant that Canada rivalled the United States and Russia, but those two countries produced substantially more oil—approximately 1 million barrels a year each. Failure to develop its natural resources was incongruent both with Alberta's values—here Thompson referred specifically to its "spirit of enterprise"—and the legacy of the region's pioneers, some of whom risked life and limb exploring and developing the resources of the country. Espousing a unique mission for Alberta to develop the province's oil and gas reserves and underwritten by a brand of western Canadian exceptionalism that distinguished the region and its people, the editorial proclaimed that "the excellence of our occidental civilization, the abundance of our wealth, the opulence of most of those whom we call our 'old timers,' ARE THE SELF-EVIDENT REWARDS FOR THE ENTERPRISE AND INDOMITABLE COURAGE THAT WON'T WAIT." In building the province, western Canadians had accomplished in less than ten years what it took a century for "slow-going" eastern Canadians to acquire.

The real question before Albertans was whether they would continue to develop industries, take risks, and grow, or simply quit. Thompson allowed that the decision was both highly individual and collective. While there were "sufficient pessimists elsewhere" in his estimation, there was no reason for pessimism anywhere in Canada due to the endowments of nature and the indomitable spirit of its people. "If we in whose hands its destiny has been entrusted will but do our part faithfully and well, with the great common weal our uppermost consideration," success was all but assured. Alberta's mission provided a powerful incentive to the entrepreneurs of the province to drill for oil, not because it was easy but because it was both hard and expensive. Anticipating critics who suggested that only large multinational corporations and conglomerates had the investment capital to undertake the mission, Thompson swatted their arguments aside. Most of the thirty-four successor and subsidiary companies of Standard Oil concentrated their operations in the downstream sector—refining and marketing. "Only three," wrote Thompson, "are producing companies." Thompson then likened drilling for oil to the insurance business, where strength in numbers mitigated risk. "All that is required for success is ample capital and integrity and skill in the management." Drilling for oil, reasoned Thompson, was exactly like selling insurance. While the death of a single policyholder was a tragedy for his widow and orphans, the insurance company paying out the benefit regarded it as "a matter of little importance" because the company had thousands of policyholders and shareholders to defer the risks. "The same applies to oil prospecting companies," wrote Thompson, because these businesses were "engaged merely in prospecting for oil."[41]

Thompson's strained analogy held that, in certain areas, oil deposits extended under large continuous areas known as fields. In other regions, distinct and separated areas of smaller pools existed. To be sure, even around the "fields" and "pools" companies still drilled dry holes. But oil companies with large holdings either in large areas of a promising location or more numerous holdings scattered across promising stretches were bound to find oil "if provided with sufficient working capital to test their various properties for Petroleum by actually [sic] drilling of wells, *are most scientifically designed to 'strike oil* [emphasis added].'" Oil companies, if "honestly and capably organized, on business lines, and [if] their undertaking of prospecting for oil is carried on with integrity, economy and skill—each company is entitled to as great respect and encouragement from the press as are banks or insurance companies, or any other business organization." Thompson then directly challenged Woods's argument that investors should wait until after an oil discovery before investing, calling it a fallacy like "waiting until a city is fully grown before purchasing a town lot." Early investors received the greatest returns and the largest profits. In this current venture, success depended on the accuracy of the investor's judgment regarding the resources of the region, the "energy and enterprise of his neighbors," as well as his own initiative. In Thompson's consideration of the history of prospecting for oil, "one is forced to the conclusion that the general public are never played properly for 'suckers' until the area is proved to be productive." Once the wealth is proved, investors become overconfident and singularly focused on realizing a profit at any price, becoming easy marks for crooked dealings, by the likes of Daniel Drew, Jay Gould, Jim Fisk, and Tom Lawson, "the hyenas of commerce and industry who have always controlled certain newspapers and news sources for the undoing of the people to serve their own ghoulish greed." The point was that "*the little fellow has a chance to win during the course of development* [emphasis in original].". Thompson closed with the warning to "keep your eye on the people who have been so generous with advice, and you will probably understand the motive in proffering that advice."[42]

For would-be promoters, Thompson's editorial salved their bruised egos following the *Herald's* pointed comments. The very next day, Rocky Mountain Oil Fields hailed the piece "absolutely true, complete, and sane," using excerpts from the editorial in its ads, and printed a couple of thousand copies of the piece to mail to anyone interested. But the broader oil industry and interested observers outside Alberta also began to weigh in and found things to be concerned about. *The Financial Post* stated that it did not want to discourage investigations of the petroleum wealth of Alberta but believed that "prospecting has not gone far enough to warrant the general application being made to the public for capital." *The Petroleum Gazette,* a trade journal published out of Titusville, Pennsylvania, took notice of the burgeoning dispute between the industry and the *Herald* and offered its own sobering take for investors and promoters about the Dingman strike: there was much to be worried about. Citing oil producers working in Petrolia, Ontario, the *Gazette* claimed most wells drilled in the foothills of the Rocky Mountains would produce oil seepages of high-grade petroleum because they underwent a process of filtration. But nothing those drillers saw to date led them to believe Turner Valley distinguished itself from earlier finds at Pincher Creek or Flathead Valley. In those two cases, the fields also presented promising surface seepages but produced no commercial quantities of oil. Predicting that the Dingman well would "cause the expenditure of large sums of money," the *Gazette* nonetheless doubted anyone would earn a dividend from the production of oil. The boom would quickly turn to bust, but only after unscrupulous promoters "get their fill of dollars from the innocent." Their experience told them that the small gas supply and limited quantities of petroleum produced to date did not inspire confidence. Neither did its presence in a broken formation with loose rock and gravel and no cover to trap a large deposit of oil. But the big "tell" for the *Gazette* was that "the Calgary [Dingman] well is guarded and outsiders are not allowed to take a 'peep.'" "Good wells," the *Gazette* noted, "create booms and do not need talk; but poor ones are always shrouded in mystery while a boom is being worked up." The article concluded with a devastating statement: "It is to be hoped that the Canadian press will assist in killing this unwarranted oil boom of the west, and thereby save injury to our country at a very important and critical time."[43]

Unfortunately, the reality remained that every company featured by the *Herald* in its Flotations series presented serious problems that posed undue risks for investors hoping to achieve a reasonable return on their investment. Facing tough questions, and unaccustomed to press criticism, some, like Stephen E. Beveridge and Don M. LeBourdais of Rocky Mountain Oil Fields, lashed out at the *Herald,* arguing that petroleum speculation was no different than any other business. The spat grew into an increasingly bitter back-and-forth campaign on the editorial pages after the *Herald* announced that it would not accept any advertising dollars from oil companies it considered to be engaged in rank speculation. Over Beveridge's signature, LeBourdais penned a letter to the *Herald* on November 3 mocking the *Herald's* announcement that he later claimed went unpublished by the *Herald* and subsequently became part of a Rocky Mountain Oil Fields ad published in the *Record*. "How often, Mr. Editor, have you seen signs ornamenting the whole front of store windows, reading something like this: 'Going out of Business! Forced to raise $50,000 in Ten Days!' 'Everything is Absolutely Half-Price!' Yet you know all along that the advertiser has no intention of going out of business, but was just using a rather flamboyant method of attracting the public," argued LeBourdais. Turning attention to the storefronts of some of the *Herald's* "star" advertisers, LeBourdais declared that they used window displays and decorated storefronts to bring in business. "We venture to say that the sketches used by some of the offices selling oil stock, which you ridicule and condemn today, are mild in comparison." Beveridge and LeBourdais argued that entrepreneurs floating oil companies could use the same methods. The *Herald*'s riposte to this letter, published on November 4, replied that the Rocky Mountain Oil Fields prospectus, filed with the provincial government, remained free from extravagant claims. But Rocky Mountain Oil Fields ads made dubious statements guaranteeing that the company would strike oil. That statement, argued the *Herald*, was obviously untrue. "It was made in order to sell the stock of the company, and the person that wrote it must have known that it would tend to mislead the reader."[44]

Believing his character impugned, Beveridge began plotting his revenge through *The Natural Gas and Oil Record,* a new weekly trade paper about the petroleum industry that emerged as a direct result of the *Herald's* Flotations series. Winnipegger J.L. Tucker revealed that he had no preconceived notions about Alberta oil and absolutely had no intention of starting an oil sheet. But his business took him to several of the leading figures in Calgary oil—Oscar Devenish, Archibald Dingman, Ira Segur, and William S. Herron, among others—who convinced him that oil existed in commercial quantities. Tucker also related that before staring the *Record*, he spoke with Woods to ask him directly if he believed in the oil fields around Calgary. "Mr. Woods answered that he did, and offered to make a wager that there would be an oil refinery started here within a year."[45]

Convinced that the field was legitimate, Tucker moved into the newly opened Grunwald Hotel and operated the *Record* out of the *News Telegram* building. *The Natural Gas and Oil Record* started out as a weekly, publishing its first issue on November 1, 1913. An unabashed booster of Calgary oil, Tucker clearly objected mightily to both the *Herald's* and Dingman's warnings about "wildcatting." "lf Mr. Woods had confined himself to the killing off of illegitimate companies he would have been upheld on every side," wrote Tucker, "but he goes so far as to say that no oil stocks are good." Calling their stances hypocritical and pledging his paper "ready to help kill any crooked flotations of oil stocks," echoing earlier comments in the *News Telegram,* Tucker likened "wildcatting" to the Spanish monarchy's decision to finance Christopher Columbus's voyage or the building of the Canadian Pacific Railway. Without wildcatting, he claimed, there would be no Calgary or CPR.[46]

Word quickly spread that Tucker intended to publish an exposé of both the *Herald* and its editor J.H. Woods. The *Herald* heard about the impending article, and warned Charles Pohl, the manager of the Deutsche-Canadier Publishing Company printing the *Record*, that the contents of the article were libellous. If the article appeared in print, the *Herald's* editor and publisher, J.H. Woods, could take legal action and would likely win. After meeting with his lawyer, Pohl, who had previous experience with libel lawsuits, concluded discretion was the better part of valour and informed Tucker that he would not publish the article.[47] Stephen E. Beveridge pleaded with Pohl to print the article regardless of the consequences and promised to assume responsibility for the publication and "would pay any loss it incurred." Beveridge then put his promise in writing and, at a subsequent meeting with Pohl, even offered to buy the printing press to ensure the article appeared. In the meantime, Woods contacted the printer directly, warning Pohl again of the certainty of a libel suit if he published the piece. With the stakes clearly defined, everyone waited to learn what the publisher would do with the fateful November 7, 1913, edition of *The Natural Gas and Oil Record*.

Pohl evidently decided the threat of Woods's lawsuit was too great. However, since some copies of the issue containing the open letter from Beveridge to Woods were already printed, Pohl decided to run them through the presses another time to cover the offending article with a black box. Pohl eventually destroyed those copies when he realized the text bled through. The publisher omitted the story altogether for the reprint. The hastily redesigned front page contained a black box of text that appeared under the headline, "So people may know." Tucker inserted a note in the left-hand margin promising an explanation in the next edition. The November 14 edition of the *Record* admitted that it took issue with the *Herald's* claim of thirty years of public service and decided to document "a number of incidents" of one year with James Woods as editor. While the *Record* maintained that all the stories scheduled to go to print were true, at the request of the *Herald* they had pulled the story because it was not in the public interest to print them.[48] For the time being, the feud settled in Woods's favour.

The key role of small investors even attracted comments from sources outside the city and province, including H.F. Miller, the business manager of the Chicago Association of Commerce, who addressed the Industrial Bureau of Calgary on November 6. Miller concluded that every sign pointed to the development of a large oil field in western Canada and expressed the hope that "some plan will be devised to prevent the buying up of large tracts of property by speculators or by a few corporations, and that your local people will benefit by the development when it comes."[49] On November 15, an op-ed appeared in the *News Telegram*. Published under the name "Petroleus," the piece further attacked what it called the *Herald's* campaign of "abuse and knocking." But what is more interesting about the Petroleus essay is what it reveals regarding popular perceptions about the global petroleum industry. Like other authors, Petroleus began from the premise that Alberta generally and Calgary in particular were renowned for their progressive values, foresight, and push. Petroleus claimed that the people of Calgary responded quickly to opportunities, both as individuals and organizations, producing "better business blocks, more progressive and up-to-date stores, more wealth per capita, than any other city in Canada." The city achieved these feats by "never waiting for opportunity to knock" but rather by displaying individual initiative and entrepreneurship. But Petroleus detected a change when "the biggest opportunity that has ever come to any district is knocking today at our door." What changed? Perhaps Calgarians had lost their confidence because of a generational shift from the pioneers who settled the province to their offspring. The younger generation "have lost their grip, their faith and their belief in our country." Alarmingly for Petroleus, this suggested this generation of Albertans lacked "the stamina, the mind and the endurance to sit in and play a big man's game." During the first few days following the Dingman announcement in October, Calgarians displayed their usual characteristics: "faith and belief and their accustomed push" to take advantage of the bounty that nature provided. They began spending money, taking risks, and displaying faith as part of a frantic push to spur development. This all but disappeared when "news got out to the big money centres of the world, when the big men found out what was in the wind."[50]

For Petroleus, the "big men" were the leaders of the global petroleum industry, whom he depicted as nameless and faceless power brokers who operated in the shadows. After the "big men" learned of shows of petroleum at Dingman #1, they mobilized their minions, and one newspaper editor, to ensure that Alberta's petroleum wealth remained in the hands of the few. "Money talked," explained Petroleus, and doubts multiplied about the existence of oil south of Calgary. Simultaneously, however, "prosperous looking gentlemen" arrived in town, speaking sweetly to buy up acreage and develop the region even as Albertans began to get cold feet. "If we are not ready to fall into their arms then [they] produce the big knotty club" to bring about compliance. Albertans, warned Petroleus, must brace themselves and "take a hand in the big man's game." But "they"—presumably referring to representatives from Standard Oil—were already in Calgary presenting an even greater challenge to Albertans. Theirs was a global organization "so far-reaching that it is even an impossibility for us to get reports on the oil business from the different governments of the world." Like a black hole capable of bending light and ensuring that matter could not escape its gravitational pull, the organization Petroleus described was so perfectly opaque and secretive about its operations that "even in the great oil state of Pennsylvania it is impossible to get a report on the oil business after 1892;" that Ohio could only issue a ten-page pamphlet of statistics; and that California was impotent to make any report on its operations whatsoever. This, declared Petroleus, is the organization Albertans must fight "if we wish to see the Alberta oil fields take their rightful place in the markets of the world . . . [and] see the city of Calgary . . . increasing its population, increasing its buildings, increasing its wealth. This is the organization which we have to fight and down if we desire to retain our just heritage and do as we have always done before—hold our own in the big man's game."[51]

Subsequent editorials in the *News Telegram* revealed just how far Thompson began to move from the view of using scientifically backed development. On November 24, Thompson argued that "the average young man with common, ordinary intelligence, and his wisdom teeth cut right through, does not need any particular guide to tell him just what he should do in the matter of an investment in oil . . . he knows, perhaps, just as much about the chances of striking oil in commercial quantities in this district as any of those supposed experts." As this was a new industry in western Canada, few were qualified to offer advice regarding oil investment, let alone the editor of the *News Telegram*. Promoters and investors needed oil in commercial quantities to make money. "Will it be discovered?" That, reasoned Thompson, "is the question upon which the entire fabric of this whole business rests . . . . After that, it rests entirely upon the honesty and integrity of the men promoting the different companies and upon their business methods, whether or not the investor makes money or whether he loses, just as it ends in every other business."

But this was not necessarily the case. Promoters could be honest, display integrity, and have the most up-to-date business practices and still neither discover oil nor guarantee that their operations would be profitable. The combination of the limits of drilling technology and the complicated nature of the Turner Valley formation caused the greatest problems encountered by McDougall-Segur. Drilling in Turner Valley required deep holes that pushed cable tool rigs to the limit of what they could realistically achieve. Even then, drilling proved slow, expensive, and unprofitable because no one could reach the oil-bearing formations. When McDougall-Segur Exploration began operations in 1912, the company's capitalization was $100,000; by early October 1913, its capitalization reached $500,000. Further contrary to Thompson's confident, yet astoundingly naïve assertion, the oil industry, even at the turn of the century, was not just "like every other business." Rather, it already displayed the sophisticated integration of global supplies, markets, and transportation networks and the use of economies of scale. Simply finding crude reserves was only part of the problem. After all, in 1909, William D'Arcy of Anglo-Persian Oil discovered a prolific oil field but then realized that Anglo-Persian faced several problems in the downstream sector that included refining, transportation, and marketing. There were occasional glimpses indicating that Albertans realized oil was a *global* industry, but the discussions in

1913–14 took place in a vacuum and were therefore more aspirational than reasoned and rational. Repeatedly, press and investor reports assumed the successful development of any oil deposit, regardless of the costs of production, distance from population centres, the capacity of markets, or lack of transportation and refining infrastructure nearby. Indeed, Thompson believed "the whole future of this city and district depends to no small extent upon whether or not oil is discovered in commercial quantities."[52]

Thompson reached the logical conclusion of his argument on November 28, writing that the Dominion government must serve as "lender of last resort" and provide Alberta's nascent oil industry with the necessary capital to establish its proven reserves. The *Herald's* Flotations campaign deterred many Albertans from investing, and Thompson expressed some sympathy for potential investors now hesitating to risk their money. Unable to state with absolute certainty that commercial quantities of oil existed in Turner Valley, governments should now invest public money to develop the field because the "'wise guys in the oil game are not giving away their trump cards." Nonetheless, despite their reticence and caution, deep down, Albertans remained convinced "that there is oil—and plenty of it—beneath the surface of the earth." The industry needed investment capital to prove it existed. If the private sector could not—or would not—invest, Thompson argued that the federal government should do so because oil would be a *national* asset. By serving as a catalyst and investing a million taxpayer dollars, "the price would be cheap at ten times that amount if it were for a surety discovered." Hundreds of thousands of dollars from southern Alberta flowed into federal coffers as people purchased oil leases, demonstrating the faith of Albertans in this endeavour. Federal money "would be the most effective means of putting a stop to the 'knocking' . . . a campaign which has not only turned hundreds of thousands of dollars away." If the "knockers" remained unchecked they might kill a commercial enterprise that, while risky, still possessed substantial "remunerative attractions."[53]

As the attacks on the *Herald* unfolded, the Geological Survey of Canada released a report that said the naphtha found in Dingman well rarely existed in great volume and appeared as the result of filtration through clay strata. Since the total volume of oil in the field remained an open question, the GSC concluded that "the commercial value of the strike is still unproved." The so-called "white oil," noted the GSC, was of exceptionally high quality but usually never occurred naturally in any great quantity. With a wary eye on the economy, the *Herald* argued that 1913–14 was no year for gambling on an unproven oil field because Calgarians "will need their money for their ordinary domestic purposes." Advertisements suggesting those less well off could invest only a few dollars yet still make a fortune were nothing less than dishonest. From the west coast, *The Victoria Daily Times* chimed in and suggested that oil companies were as optimistic in the future of Alberta as an oil producer "but with less reason than real estate men have been in future values of city and suburban lots in western cities."[54]

With newspapers across the country siding with the *Herald*,[55] the feud reached a fevered pitch on November 19, 1913, when *The Morning Albertan* published an ad accusing *The Calgary Daily Herald* of accepting money from Standard Oil to publish critical articles about the oil companies operating in Calgary. Only after the ad appeared did the *Albertan* fully consider the implications of its actions. On November 20, the editorial page of *The Morning Albertan* stated that the paper regretted "the appearance of such an advertisement. Though it has little sympathy with the policy of its contemporary, it has not questioned the sincerity of its motives."[56]

In the meantime, individuals from Alberta's emerging industry began negotiating a set of shared values, interests, and beliefs about Alberta oil that transcended notions of laissez-faire capitalism by adopting the politically defensive strategy of forming a trade association. Citing the need to secure the "protection of their mutual interests," namely the earliest possible development of Alberta's oil and gas resources, on November 24, 1913, a hundred or so promoters, shareholders, brokers, leaseholders, civic officials, and others formed the Alberta Oil Development Association (AODA).[57] With the press excluded from the gathering, the founding members ostentatiously met over luncheon at a Calgary restaurant to launch the organization and proclaim the birth of a new industry capable of transforming the regional economy. Either by accident or design, the luncheon received ample coverage and the new organization did everything in its power to ensure that the press received plenty of quotable material as well as copies of the 429-word resolution the group passed explaining its core values and mission.

The AODA's founding resolution claimed as "established fact" by geologists that the subsurface formations south of Calgary contained a vast oil field "worthy of development and exploitation in a thorough and extensive manner." The second clause identified Calgary as "the metropolis of this district," and declared the unwavering belief that successful development of the oil field would produce benefits and prosperity for the city. The document then acknowledged the need to secure adequate capital from "the money centres of the world to successfully undertake such development and obtain this great storehouse of wealth." Significantly, in this section, the AODA's members shied away from laissez-faire principles to advocate the establishment of a "co-operative organization of the oil interests affected," and the organization pledged to launch a "vigorous publicity campaign" both to inform prospective investors and attract capital. The AODA also awarded itself the responsibility to "correct, suppress or counteract in every legitimate and effective manner the dissemination of any misrepresentative, erroneous, hurtful, or exaggerated statement, opinion or falsehood that may have secured publicity or that is about to secure publication or dissemination locally or elsewhere." What, precisely, did that mean? More to the point, who would determine what was "misrepresentative, hurtful, or false"? Considering the heated reaction elicited by *The Calgary Daily Herald's* information and education campaign, some believed the AODA should serve as a sort of information ministry or "war room" to immediately counter claims they did not like.[58]

For some, like city alderman and municipal booster "Tappy" Frost, economics were a motivating factor. For Frost, oil would prove Calgary's salvation from the recent recession and collapse of real estate prices. "If we can just fasten the word 'oil' to Calgary," said Frost at the organizational meeting, "then the money will be coming in." Frost certainly believed in the potential of an oil discovery around Calgary, serving as president or director for at least seven different oil companies. Another speaker, W.D. Outman, vice president of Herron-Elder Oil Company and newly elected chair of the organization's publicity committee, alluded to the economic downturn, comparing Calgary to Spokane, Washington, the railroad and commercial centre of the "Inland Empire" of Washington, Oregon, Idaho, and Montana that served as the corporate headquarters for several mining companies. Outman said that Calgary's fortunes had taken a nose dive with the recent downturn. "Unless something is done Calgary will go through the same period of hard times that Spokane has. I believe that something has happened to stop it, and that something is oil. Oil is the savior of the situation and I believe that Calgary has a great future based upon oil."

Notable by their absence at the organization of the AODA were the two leading figures of Turner Valley's early development, Archibald Dingman and Ira Segur. Members of the AODA made both men honorary vice presidents of the organization. When questioned whether they would accept the invitation, a clearly surprised Dingman responded that he had not heard of an offer from the organization yet and added, "I don't want to appear discourteous." Ira Segur proved less circumspect in his comments. "Me at that meeting? I should hope not. Don't use my name in connection with it," reported the *Herald*.[59]

One day after the formal announcement of the AODA, the *Herald* questioned, "Will sane men control?" the newly created organization. The pointed question highlighted the tension between two factions the paper believed would decisively influence the direction of the AODA—wildcatters or genuine developers. The *Herald* noted with relief that moderate elements concerned with the overall health of the industry temporarily prevailed, holding prominent positions on the organization's board of directors. A great deal would depend on how the organization interpreted its self-appointed mandate "to correct, suppress or counteract . . . the dissemination of any misrepresentative, erroneous, hurtful or exaggerated statement." The mandate served either as a sword to attack critics or as a shield to protect consumers from exuberant statements about Alberta's potential reserves or the promises of fabulous wealth contained in advertisements. For the *Herald,* however, the most significant issue requiring immediate attention was the standardization of stock values. Different agents sold the same stock at different prices. Indeed, the *Herald* pointed out that some of the most prominent members of the AODA sold stock to "insiders" at one-third the price and wondered what the organization would do about that. The AODA "should see that the public is protected by the absolute pooling of every share of stock of this character that is left in the hands of those to whom the public is trusting its money." *The Petroleum Gazette* sided with the *Herald,* noting that the AODA would be wise to work with critics rather than against them to address any issues that arose. The *Gazette* argued that the extravagant claims of confidence men "and associated swindlers" hurt development more than they helped.[60]

It is ironic, considering the emerging symbiotic relationship between the AODA and the *Albertan,* that the chain of events that led to the demise of the AODA began the next morning. *The Morning Albertan's* front-page editorial launched a blistering attack on Woods and the *Herald*, claiming Woods intended "to destroy confidence in the oil field and to make its development impossible." The fight got personal and dirty quickly when the *Albertan* speculated that the real cause of the problem lay with the *Herald's* "alien ownership," hinting that owner William Southam was really pulling the strings; real Calgarians would know better than to kill the golden goose. Whipping itself into a lather, the editorial declared it remained "the privilege and duty of citizens who can afford to risk and lose some money to help on with the development and exploitation of the oil fields."[61] The attack continued when the *Albertan* printed another blistering, and borderline unhinged, front page editorial that claimed, among other things, that public pressure compelled the *Herald* to hastily "kill" its campaign against oil development. One portion that originally appeared entirely in bold font, capital letters, is worth quoting at length considering subsequent events, and illustrates the increasingly strident tone:

> IF THE DEVELOPMENT OF THE OIL AREAS IS NOT PROCEEDING AS RAPIDLY AS WE HAD EXPECTED, THE CALGARY HERALD IS TO BLAME. IF COMPANIES WILL BE UNABLE TO DEVELOP THESE AREAS, IT WILL BE BECAUSE THIS UNPATRIOTIC NEWSPAPER WAFTED THE DAMP BREATH THROUGHOUT THE COUNTRY IN ITS ATTEMPT TO KILL THIS PROMISING UNDERTAKING. IF THE HERALD TAKES ANY GLORY IN NIPPING IN THE BUD ONE OF THE MOST PROMISING ENTERPRISES, OF PREVENTING THE EXPLOITING OF RICH OIL AREAS, OF RETARDING DEVELOPMENT, IT CAN HAVE THE GLORY. IT HAS DONE IT ALL, SINGLE HANDED AND ALONE. IT WAS NOT A DIFFICULT ACCOMPLISHMENT.[62]

Another subsequent editorial from the *Albertan* on the 28th claimed the *Herald's* "vicious work" had succeeded in keeping not just British capital, but "outside capital from all parts of the world" from the nascent oil patch. Following this editorial, the *Albertan* went silent regarding the *Herald's* campaign.[63]

The *Albertan's* counter-campaign against the *Herald* dangerously stoked and intensified feelings of frustration and anger among promoters, drillers, and investors, both harnessing and channelling those feelings in unpredictable ways. Editorials blamed the *Herald* and its "alien owner," William Southam, for the uncertainty in the oil patch. As economic conditions worsened in late 1913, regardless of whether it accurately represented Southam's beliefs, or simply as a stunt to sell more newspapers, the *Albertan's* counter-campaign tapped into and exploited the fears and frustration of some within the AODA. Like modern-day Cassandras given the gift of prophecy but fated not to be believed, some of the oil men of the AODA saw themselves as part of the vanguard of a new industry capable of delivering economic salvation and prosperity but dismissed by critics and naysayers in whom they saw willful ignorance and malevolent intent. In the AODA, they found a community of like-minded people facing similar problems and challenges. Indeed, speakers at the AODA meeting on November 26 exhorted members to share data and information about the drilling in Alberta, including what kind of drilling tools and machinery worked best to benefit the common good. But it is equally clear that the community also emboldened some of the more passionate boosters, who emerged with a powerful sense of identity—that their status within the oil industry distinguished them from others who lacked such status. At the conclusion of the November 26 meeting, W.D. Outman delivered a passionate speech wherein he pledged himself to do more, both as an individual and as chair of the AODA's publicity committee. The organization needed to advertise "as much as our finances will permit," even if it meant subsisting on coffee and donuts alone. He regretted that so much secretiveness "by some who should have known better" kept the members of the AODA apart when they should be working together. He deplored the tendency of "some sections" of the press to neglect the opportunity presented. The existence of a nearby oil field meant "Calgary has no reason to feel the pinch of hard times. It is Calgary's duty to rise up and stamp out any methods calculated to hurt her in the estimation of the outside world."[64]

The next day, November 27, Stephen E. Beveridge filed a criminal complaint for libel against *The Calgary Daily Herald* and its editor James Woods for the article that appeared in the *Herald* on November 4 discussing the *Natural Gas and Oil Record* incident. Beveridge's evidence remained shockingly thin. The criminal complaint did not specify any part of the *Herald's* article but claimed the entire piece would expose Beveridge to "hatred, contempt or ridicule."[65] When asked to explain his reasons for the libel suit against Woods, Beveridge replied, "He accuses me of inciting a man to commit an offence, and that accusation I consider libelous." Beveridge added that he might initiate civil proceedings if he was unable to get satisfaction in criminal proceedings. Journalist and oil industry historian John Schmidt observed that in a few cases "outright crooks sought to lessen the heat on their activities by resorting to the old trick of bringing slander or libel suits against their honest detractors."[66]

On December 3, 1913, Beveridge's complaint went before Judge Colonel Gilbert Sanders in the city's Magistrate's Court for a hearing. Sanders was a former member of the North West Mounted Police and a veteran of the Boer War, so his twenty-year service as Calgary's police magistrate was a second career for him. Despite having no formal legal training apart from twenty-three years as a Mountie where he held ex officio status as a justice of the peace, Sanders quickly established a reputation as a "common sense" judge. Known as much for the perpetual scowl and monocle he wore as for his deeply conservative values and stern judicial decisions, he displayed a penchant for corporal punishment that bordered on bloodlust. The Harold Boardman case in March 1914 serves to illustrate Sanders's particular brand of justice. Arrested for assaulting and robbing Mary Jeffry, a seventeen-year-old domestic, Harold Boardman pleaded guilty in his appearance before Justice Sanders. Nevertheless, a string of witnesses testified to Boardman's honest and sincere character as a regular church attendee and musician in the church orchestra. Sanders announced that Boardman's offence "is a very serious one, and one which renders you liable to life imprisonment." Before imposing his sentence, Sanders admitted he took Boardman's previously spotless record into account in order that he could impose the most lenient sentence upon him. "I am going to sentence you not only to teach you a lesson but in order that others may be deterred from committing the same crime that you have committed," said Sanders. "I sentence you to six months at Lethbridge with hard labor, with 20 lashes, ten being administered six weeks after the term has commenced and ten six weeks before its close." The stiff sentence for a first offence shocked the city, generated a flurry of letters to the editor, both in favour and against, and prompted the *Herald's* editorial page to question whether the lash, which remained in use in western Canada until 1960, was necessary. Left unanswered was the question of what, in Sanders's estimation, would constitute a harsh sentence. Perhaps that was Sanders's intent.

Notwithstanding the well-earned reputation for an austere brand of justice, Sanders proved a marked improvement over many of the purely political appointees preceding him on the bench. Prior to Sanders's appointment, many judges were derided by critics as "third class men" lacking the requisite morals, character, and abilities to perform their duties. Back in the 1890s, Judge Thomas Ede frequently heard cases and passed sentence while inebriated, and, as was often the case when justices depended upon emoluments to make ends meet, profited from his office by charging fees for holding hearings and witnessing documents, and pocketing fines he imposed. More recently, Sanders's immediate predecessor, Crispin Smith, who also favoured the lash and frequently rolled up his sleeves to serve as executioner for such sentences, had resigned under a cloud of controversy. But significant questions remain about the impartiality of justice practised in the early twentieth century. The justices of the peace and magistrates in the system remained unremunerated by the province except for what court costs they could recover from those they convicted. As historian James Gray succinctly observed, justices may have arrived in court with a built-in predilection to convict because "it cost them money to acquit."[67]

In Sanders's court, however, Beveridge appeared petty, vindictive, thin-skinned, and ill-prepared. Believing that his claims were self-evident, Beveridge merely presented the *Herald's* article and expected vindication. Unconvinced, Judge Sanders warned Beveridge's lawyer that he had not proved his case.[68] Under cross-examination by A.E. Clarke, who guided Beveridge line by line through the article, Beveridge admitted the substance of the *Herald's* article was true: he had encouraged the editor of *The Natural Gas and Oil Record* to publish a libellous article about the *Herald*. Beveridge also admitted that the substance of the *Herald's* Flotation article about Rocky Mountain Oil was true—particularly damaging admissions included that the company's prospectus listed property it did not own, and that Beveridge personally received $10,000 worth of stock in exchange for mineral leases he paid $160 to obtain. Sanders duly forwarded the complaint to higher court to decide the following week, on December 5, but the complaint quietly disappeared. Over the weekend an anonymous telegram signed "Alberta Oil Men" arrived at William Southam's home in Hamilton and threatened Southam unless the *Herald* stopped its criticism. Southam promptly sent a telegram back to the *Herald*, and emphatically endorsed continuing the *Herald's* campaign. *The Herald* broke the news of the threatening telegram on December 10.[69]

After the editorial on November 28, the *Albertan* went silent about the *Herald's* campaign, possibly because Davidson wanted to cover different subjects, like the intervening municipal election. But it is also possible that the *Albertan's* tacit support of the AODA, as well as its likely rooting interest in Beveridge's libel suit against Woods, induced a temporary ceasefire. On the morning of December 10, the *Albertan's* editorial page attacked in a different direction, criticizing Archibald Dingman's silence about progress of the well. Dingman, wrote the *Albertan,* "seems to wish to discredit any optimistic statement about the well, and gives no information." Calgary Petroleum Products, argued the editorial, was drilling on public land leased from the people, and the success of the well meant a great deal to the citizens of Calgary. "Every day Calgarians have to meet the insulting charges of putting on a fake boom," complained the editorial. "The proof disproving this unfair and dishonest accusation is right on the grounds, but a mystery company will not permit it to be used." Dingman's reticence to provide information, concluded the editorial, justified an investigation by city council. "If the company should refuse such an investigation we must try and get at it in some other way."[70]

Suffice it to say there was plenty to discuss at a previously scheduled meeting of the AODA on the night of December 10. The assembled members had a lengthy discussion of the telegram before deciding not to take any action. AODA secretary C.A. Owens prepared a statement disavowing any knowledge or connection to the telegram by the organization. But clear divisions emerged and polarized the group. Several members, including AODA president J.R. Sutherland and Vice Presidents Beveridge and Herron, pointedly denied that they either knew or participated in the plot whatsoever. Just as vehement were those who believed the *Herald* had reaped what it sowed, perhaps none more than Tappy Frost. The alderman sarcastically concluded that the telegram probably originated from a disgruntled member of *The Calgary Daily Herald* who wanted Woods fired because they could not sell their oil leases. According to the *Albertan*, Frost sang the praises of the province of Alberta, celebrating the pioneering spirit of ranchers and farmers who came before, and mocked the futile attempts "of certain individuals to 'knock' and retard the development and exploitation of the vast subterranean wealth and resources of the Calgary district." The speech, reported the *Albertan*, was well received.[71]

However, the telegram ripped open a chasm between moderates and hardliners in the organization. Just before the motion to adjourn, one AODA member, C. Kipling, held up a copy of the *Herald* and announced that "we should assure this paper that we had nothing to do with the matter in question." The statement, said the *News Telegram,* "brought forth a howl of protest from the assembled oil men. "I make a motion," said Mr. Beattie, the advertising manager for Black Diamond Oil Fields, "that this association do not undertake to remove the dense ignorance of the writer of this article and furthermore I do not think that we should honor the publication by giving any attention at all." With the meeting adjourned, Stephen Beveridge, presumably the person whose honour the telegram sought to defend, unequivocally denounced it in public. With his lawsuit pending against Woods, perhaps he felt there was no other alternative. The next day, *The Natural Gas and Oil Record* assured readers that the *Herald* knew who sent the telegram but claimed Woods would not disclose that information simply "to get a rise out of some of the members and start something. No one here need have any fear that the owners of the *Herald* don't know what's going on through regular channels." Meanwhile, the front page of *The Morning Albertan* published a cartoon for "Oilberta's" new coat of arms featuring the addition of two oil cans flanking an oil well at the head of a story predicting a minimum of twenty wells in the Calgary-Turner Valley district. Lest anyone overlook the point, the paper also proposed a new motto: *Oleum nostrum or nobis hodie*, which translates to "Our oil is for us today."[72]

On the morning following the contentious meeting, association secretary C.A. Owens resigned, publicly blaming a busy schedule that prevented devoting too much time to the organization. But the timing suggested the dispute over the incendiary telegram played a larger part than Owens cared to admit. Rumours swirled that as many as six other directors planned to step down as well over the incident. *The Morning Albertan* downplayed news of a rift and accused the "disloyal and selfish . . . alien newspaper" of stirring up trouble among the oil men and predicted the troublemaker "will get his when all things are made right." The *Albertan's* editorial page stated that all loyal Calgarians should do what they could to help develop the oil fields and suggested no Calgarian "should send a letter abroad without referring to the prospects of rich oil fields in Calgary [and] also saying the oil has been discovered and in paying quantities." At a heated general meeting on December 16, Owens plus six members of the executive committee, including the president, vice president, treasurer, and several other officers, formally resigned. The membership, however, refused to accept the resignations without explanations. Addressing the membership, the resigning directors blamed their decision on the division between two factions. The resigning directors self-identified with the moderate faction and felt they no longer had the trust of most of the organization. After a lengthy discussion, most of the board of directors, except for Owens, agreed to stay on. Owens did, however, pledge to remain at his post for a month until the organization found a replacement. Members then raised $2,000 to help publicize Alberta oil and talked about incorporation as a means of raising even more. When the executive committee met the following day, they adopted a far-reaching plan to advertise "in all the leading papers throughout the world," and confidently predicted that the move would bring a flood of inquiries. The executive committee also announced that it had hired Frank F. Lischke from Portland, Oregon, as publicity secretary. The self-inflicted wounds, however, were too great and the AODA limped into the New Year before suspending operations entirely. The *Albertan*'s final mention of the association optimistically said it would meet soon and the executive felt momentum toward development would stimulate interest in the association.[73]

The tragedy of the rapid rise and fall AODA is that, while the organization saw itself as one designed to protect and advance the interests of the industry, it interpreted its mandate very narrowly—to counter every real or perceived slight of the industry—and did not take account of the broader picture. The only evidence of its campaign to promote Alberta's oil development were some non-specific want ads that appeared in newspapers across Canada and the United States.[74] By early January, other issues came into focus that would substantially affect development for which an industry organization could readily have represented private sector interests. Leaseholders who purchased natural gas and petroleum rights in the aftermath of the Dingman discovery

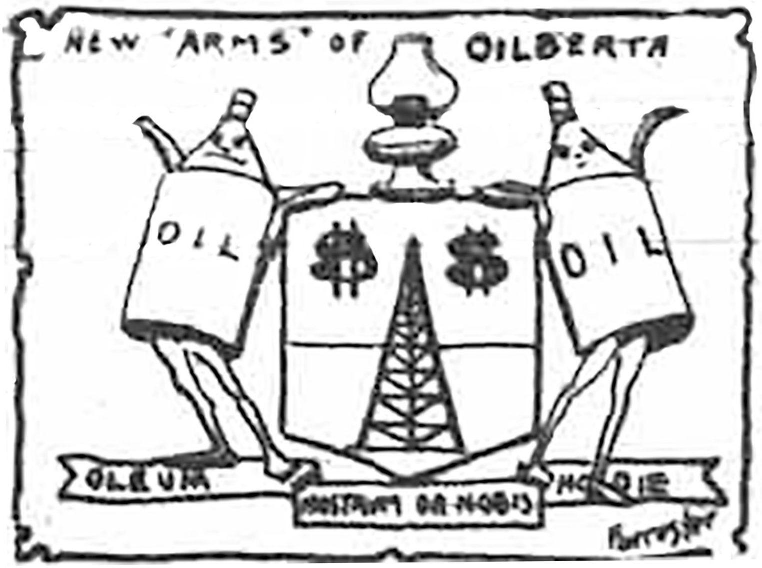

Figure 2-1 “New ‘Arms’ of Alberta”
In the increasingly desperate winter of 1913/14, the prospect of better times, underwritten by petroleum development, provided hope to many Albertans who believed fervently that oil would transform the province economically and shape its future. (University of Calgary Libraries and Cultural Resources CU1701012)

in October and November were still waiting for the Department of Mines to issue their leases. While the local Mines offices accepted the yearly rental fee before forwarding the paperwork to Ottawa for processing, since August 1913 the Department of Mines had issued no new lease certificates because the department began redrafting regulations. Little understood or appreciated at the time was that, according to the terms of the Alberta Companies’ Act, businesses could not sell shares until they were in possession of a physical copy of their lease from the Dominion government. The delay affected approximately 600 leases, meaning that, technically speaking, few companies could raise development capital legally through public share offerings. Perhaps the only redeeming feature was that, until the lease arrived, companies did not owe any rent on their property.

More urgent, however, were questions about the legality of the Dominion government’s reservation clause separating subsurface mineral rights from surface rights holders. The Dominion Lands Act (1883), renewed in 1886 and

1906, stated that Dominion lands sales were possible in certain named instances—school lands, or with lands owned by the Hudson's Bay Company. In 1889, an order-in-council passed reserving subsurface mineral rights for the government on all homestead lands. Revisions in 1908 further tightened the Dominion government's authority. Greater clarity, however, highlighted the weakness of the earlier reservation carved out by the order-in-council, and a court challenge in Ontario now questioned the legality of the entire system. *The Natural Gas and Oil Record* warned that the situation remained untenable and could lead to mass litigation and speculated that, perhaps, the reason the Dominion government seemed reluctant to issue mineral leases was that officials were waiting for a ruling before committing to oil leases. Nevertheless, in mid-January the Department of Mines finally issued a brief letter explaining the delay behind the delivery of leases. Given the highly charged atmosphere and growing suspicion in Alberta, some assumed nefarious motives behind the delay, and great relief accompanied the delivery of the first batch of the delayed 100 leases to the land office on March 7, 1914.

The threatening telegram to Woods and Southam broke the fever of the first boom and reined in the more heated commentary from Davidson about Woods and the *Herald*. While Davidson, and Thompson to a certain extent, occasionally directed a pointed barb in the *Herald's* direction, nothing came close to the brand of personal attacks that emerged in October and November 1913. Moreover, the AODA never recovered from the whiff of violence expressed by certain segments of its membership. Although the newspaper feud clearly, and starkly, illustrated the extent to which oil's supporters believed in the future of the industry, it also revealed an extreme aversion to criticism, bordering on intolerance, that was to impart an enduring legacy to Alberta's oil culture.