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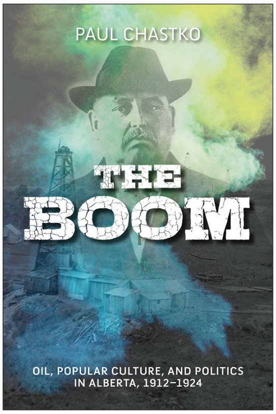

THE BOOM: OIL, POPULAR CULTURE, AND POLITICS IN ALBERTA, 1912–1

by Paul Chastko

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14

Conclusion: Buck and the Boom

> *Calgary was quite some place on the map of Canada once. They used to find oil wells there, and there are, as 'Spider' says in the third act, plenty of get-rich-quick land schemes in Calgary and considerable luck in the name . . . . I've got to knock my home town. Gosh, how I hate it, but the playwright says I must, and he ought to know.*
>
> —Calgary Actor Gus A. Forbes discussing the role of "Pat,"
> in the Broadway play "The Dummy"
> *Edmonton Journal*
> April 27, 1916

Philosophers of history point out the paradox that every act of remembrance also serves as an act of forgetting—that by choosing to memorialize one thing, we neglect another. In practical terms, Alberta's collective memory of 1914 celebrates William Stewart Herron and Archibald Dingman at the expense of George Buck. The consequences of this collective amnesia about the events of the 1913–14 boom are quite significant. Forgetting Buck also means forgetting the thousands of investors stripped of their savings amidst a worsening depression. The irreparable harm done to legitimate businesses and the demand that government "do something" to protect consumers. It means forgetting the origins of the first "blue-sky" legislation the province ultimately was forced to adopt because of the steps others—both consumers and industry—adopted to make sure Buck's swindles could not be replicated.

Buck's legacy in Alberta is somewhat ambiguous, if only for the fact that for several years after his departure, Buck became shorthand for the excesses of 1914—a caricature whose actions seemed more buffoonish than harmful. The details of the conspiracy to salt the well and defraud investors became background noise as Calgarians and southern Albertans meekly shrugged off the stories of the boom as another manifestation of the city's willingness to have a good time, like the eleven days of the Stampede every July or, in today's context, when the beloved Calgary Flames go on an extended playoff run. As Buck receded into the background, other developers, most notably William S. Herron, Archibald Dingman, Edward H. Crandell, and even William Georgeson ascended to the pantheon of the petroleum industry's local heroes and visionaries.

Periodic reminders of Buck's infamy appeared, but rarely, if ever, within the context of the broader boom. William Davidson, the editor of *The Morning Albertan*, printed reminders over the next few decades marking the anniversaries of Buck's arrest and trial for fraud; he also published some of Bob Edwards's columns about Buck as well. As time passed, reminders of Buck appeared less frequently, especially after Davidson sold the *Albertan* in the 1930s, and the details became hazy. Carl O. Nickle, Jr., the publisher and proprietor of *Nickle's Daily Oil Bulletin* since 1937, who likely forgot more history about Alberta's petroleum industry than most people ever knew, nevertheless made mistakes in retelling the story to Jack Peach of *The Calgary Herald*. Nickle inaccurately claimed Buck was an American oil promoter who came to Calgary during the boom to defraud investors by salting his well, not a middle-aged itinerant preacher from Ontario desperate to use petrodollars to create God's kingdom of heaven on Earth. In 1978, Fred Kennedy—who arrived in Calgary in 1912 and sold oil stock out of his newspaper bag in the lobby of the Palliser Hotel during the boom—published the last mention of George Edward Buck in *The Calgary Albertan* but made a few mistakes in the process. The article correctly pointed out that Buck "salted" the well, but it made mistakes on other details, claiming that the well was only 100 feet and that a newspaper reporter discovered the fraud by accident when he stumbled across the "'drilling crew' replenishing the oil."[1]

Given enough time, memories of the exploits of Buck and his contemporaries, Julian Langner, Bird W. Dunn, and William Georgeson faded, but they nonetheless bequeathed a challenging legacy for Calgary—and Alberta—to resolve. In many ways, these four figures embodied notions of the ethos of limited government, bootstrap independence, and the entrepreneurial spirit that established the province's oil culture and animated the boom. Advertisements for oil shares in 1913–14 established the belief that oil could provide personal freedom and financial security. Debates in the public square—letters to the editor, cartoons, opinion pieces in newspapers, and conversations between individuals—fostered the dream of an "independent" boom with particular characteristics: freedom from domination by a large integrated company like Standard Oil; investment capital raised by private investors, preferably local ones, so that the province would benefit the most from development; and finally, one where companies operating in the field focused on exploration and production of oil. Buck embodied these ideals and went to extreme lengths to realize them.

At the height of the oil boom in 1914, the Province of Alberta lacked the institutions and administrative capacity to regulate the sale of stock and the actions of promoters and brokers, enabling Buck and his confederates to run roughshod over consumers. Facing the unforgiving side of laissez-faire capitalism, bilked consumers resorted to self-help measures—consumer boycotts, information campaigns, and ultimately resort to the courts—to find some form of protection and relief. Convinced that the Sifton government lacked both the intent and capacity to ensure fair dealing by Alberta-based companies and brokers, consumers in nearby markets—both in Canada and the United States—mounted "anti-Calgary oil" campaigns that forbade the selling shares of all Alberta oil companies within their jurisdictions because of the actions of a decided minority. Painting all producers and brokers with the same brush seemed excessive but justified, considering provincial helplessness, and provided an object lesson in collective responsibility. That other jurisdictions evaluated the new-found industry on the actions of its weakest members was a hard and bitter lesson for provincial officials to absorb. Given that southern Alberta investors lacked sufficient capital to finance development of all the companies operating in the province, inhibiting outside capital posed a substantial obstacle to timely and efficient development.

Consumers were not the only constituency caught unprepared for the emergence of a new industry; so too were all levels of government. Hampered by muddied lines of jurisdiction and an incomplete multi-level regulatory regime, officials often responded haltingly, if at all, to problems. Indeed, although the province claimed the right under the Companies Act to investigate the activities of all companies with a provincial charter, they largely remained dependent on the overworked Calgary police to conduct investigations. In turn, the Calgary police punted the ball back to the provincial government when it came to investigating "wildcat" companies. Ultimately, the province squared the circle by employing Pinkerton agents on an ad hoc basis but realized this was not a permanent solution.

In the aftermath of the boom, the process of regaining public trust and investor confidence in Alberta oil caught the attention of the Sifton government and Charles Cross's attorney general's office as they worked to strengthen the province's hand by creating institutions and precedents for future development. Certainly, the events of the boom dictated that the province could not continue its hands-off approach, but it would be impossible to imagine the province sustaining laissez-faire following the outbreak of the Great War in August 1914. As the radical writer Randolph Bourne observed in 1918, "War is the health of the state," and the dramatic expansion of government power to reach into the lives of its citizens following the opening of hostilities represented a difference of kind rather than degree over everything that transpired before 1914. The War Measures Act (1914) reserved wide-ranging powers for the Dominion government, including the ability to suspend civil rights, censor the press, intervene in the economy, allocate resources, levy an income tax, and even change what Canadians could eat or drink. Along the way, the war decisively changed public attitudes toward the state, transforming it into, in the estimation of historian John Thompson, "an organization capable of vigorous, positive activities." In this, the character of the Great War and the sweeping universalist tone of British war aims—securing democracy and freedom from German militarism and tyranny—only strengthened the hand of reformers.[2]

Repeatedly, government officials drummed into Canadians the notion that efficiency was a prerequisite for victory over Germany. Perhaps more significantly, the war briefly challenged the primacy of bootstrap individualism. With 61,000 Canadian soldiers making the ultimate sacrifice for freedom and liberty, the war demonstrated the importance of subordinating individual desires to the good of the many. Unquestionably, the creation of the Public Utilities Board in 1915 and the expansion of its powers a year later with the Sale of Shares Act were important watersheds for businesses operating in the province. Sandwiched between these two pieces of legislation, the Sifton government launched the Carpenter Commission. Given the broad mandate granted by the orders-in-council—enabling Judge Carpenter to summon witnesses and compel testimony and evidence—the Carpenter Commission attempted to establish the provincial right and responsibility of overseeing practically any matter that took place within the province. Although the commission did not survive a legal challenge to its authority mounted by Buck and Alexander McGillivray, amending the Public Inquiries Act finished what the Carpenter Commission started. Furthermore, the Carpenter Commission gathered enough information to influence the details of Alberta's first "blue-sky" legislation, the 1916 Sale of Shares Act, as well as its enforcement.

Only a handful of companies maintained sufficient capital flow to continue drilling in Turner Valley after 1914. Ominous signs of a struggling industry accumulated. The number of stock exchanges in Calgary continued to dwindle, some through mergers with the CSE, while others simply ceased operations as exploration of the field declined. As the provincial government moved to exercise greater control over the sale of securities, the number of members working on the Calgary Stock Exchange dropped to eight. Shortly thereafter, the CSE suspended operations for the next nine years.[3]

Perhaps no one experienced these developments more acutely than William Stewart Herron. On the cusp of becoming the wealthiest person in Alberta's nascent oil patch by dint of his extensive leaseholds, Herron instead found himself struggling to keep his head above water. As the war ramped up, investment capital shrank. What little exploration activity remained did so because individual drillers and crews from the United States continued working the field. However, when the United States declared war on Germany in April 1917 and began mobilizing, nearly all interest—and investment capital—for Alberta's oil development vanished. Between 1911 and 1915 Herron estimated he spent approximately $225,000 ($6.9 million adjusted for inflation) developing the Turner Valley field.[4] During the wartime emergency, however, he needed to raise capital simply to hang on to what he had. "His aggressive strategy had become a money trap," writes biographer Frank Dabbs. By early 1918, rental payments for some of Herron's leases were at least three years in arrears and Herron stood to lose everything. Herron pleaded with officials at the Department of the Interior for special consideration. "I [have] perhaps done more than any other individual towards the development of Alberta's oil resources, and for that reason I think that my leases should be the last leases that would be cancelled by your department," wrote Herron in January 1917.[5] Only after he sold off some personal assets, including his Calgary home in September 1919—at one-third the price he bought it for in 1914— were Herron's payments brought up to date.

Others were luckier. Hotelier William J. Stokes, who accumulated plenty of stock certificates both in his own and other companies, eventually faced the unenviable reality of what to do with these now worthless pieces of paper. Rather than destroy them, Stokes decided to use them to wallpaper the lobby of his hotel. But then one day in 1926, shortly after the start of the second Turner Valley boom, Stokes examined the certificates again and discovered some companies had resumed operations, making his "wallpaper" more valuable than he thought.[6] The final accounting of the first Turner Valley era (1912–24) shows an estimated $4 million ($124,500,000 adjusted for inflation) invested and approximately 500 oil companies formed. Drill crews spudded in nineteen wells, seven of which were abandoned. Only four wells from the frenzy of 1914 still operated by 1920, with Calgary Petroleum Products running three of them—Dingman #1, #2, and #3. Faced with mounting debt in the aftermath of a fire that destroyed CPP's uninsured extraction plant, Herron and his partners faced another agonizing choice whether to rebuild. At the urging of R.B. Bennett, Herron sold the company's remaining assets to Standard Oil of New Jersey's Canadian subsidiary, Imperial Oil. Since Imperial marketed its kerosene under the brand name Royalite, the newly acquired Calgary Petroleum Products was rebranded as the Royalite Oil Company.[7]

In certain ways, the first Turner Valley era prepared the province for much of what followed, leading up to the Leduc discovery. It established Calgary, rather than Edmonton, as the corporate and financial capital of the petroleum industry in Alberta. Activity in Turner Valley revived in 1924 when Royalite #4 blew into production with a naphtha flow of 24 million cubic feet per day. As the industry revived, some echoes of the first boom a decade before resonated as specific institutions and practices revived, like the Calgary Stock Exchange. When the CSE resumed operations in March 1926, Calgary had 116 brokers, including seven women, and five licensed exchanges. The city's licence fee for brokers remained at fifty dollars, provided brokers resided in the city; perhaps reflecting the suspicion that the crush of outsiders was responsible for the troubles of 1914, the city's fee for out-of-town brokers spiked to $5,000.[8]

On the other hand, the legacy of George Buck's bootstrap entrepreneurialism and wildcat Christianity remained alive and well in the province. Albertans did not fully appreciate in 1914 the degree to which their vision of an idealized "independent" boom already conflicted with the reality of an increasingly global petroleum industry. The single-minded determination to produce every possible barrel of oil regardless of economic reality established by the first boom in 1914 produced a bitter harvest in later decades. Oil companies found ways around the modest oversight and regulatory framework established by the province by moving their charters to the federal government rather than operating under a provincial one. The drive to produce as much petroleum as possible meant that many of these companies engaged in positively reckless behaviour in the 1920s and early 1930s.

Enabled by federal regulations that placed an emphasis on production rather than conservation, and pursuing their own self-interest, producers stripped the naphtha out of the gas and set the much more voluminous natural gas they encountered ablaze, in a process known as flaring, to burn off the "excess"—that is, gas produced without a market—as industrial waste.[9] "It was quite a show place for tourists," recalled geologist J. Grant Spratt. "Almost

Figure 14-1 “Flare at Turner Valley oil field, Alberta”
Flaring the natural gas produced by Turner Valley wells in the 1920s and 1930s could be seen as far away as Calgary (ninety kilometres, or forty miles), especially since the flares provided enough light to enable people to read a newspaper at night. The practice consumed as much as 90 percent of the field’s natural gas cap and earned Turner Valley the nickname “Hell’s Half Acre.” (Glenbow Archives CU1153082)

every night there was that great red glare in the skies. People would go out visiting it from Calgary and eastern Canada and the United States.” Spratt recalled that the flares enabled pilots to get their bearings for the first airplanes through southern Alberta. As far away as Medicine Hat, 367 kilometres (approximately 167 miles) from Calgary, one could see the red reflection of the fires in the sky.[10]

British newspapers compared it to Dante’s Inferno, claiming “men have gone mad gazing into its heart.”[11] No single answer adequately explains why flaring became the industry standard. Several factors—the economics of natural gas (limited demand, abundant supplies, prohibitive transportation costs, and limited technology,); the law of capture; and laissez faire capitalism that rewarded the bold and punished the cautious—governed production, and ensured that natural gas markets remained small and local rather than regional or national in size. By the 1920s, Calgary’s population plateaued at approximately 65,000, with average daily natural gas consumption remaining static at 20 million cubic feet per day. On cold days, natural gas consumption reached 70 million cubic feet per day—less than one-tenth of the estimated

500–600 million cubic feet of natural gas flared every day in Turner Valley. Stated another way, producers in Turner Valley regularly burned ten dollars' worth of natural gas to produce a dollar's worth of gasoline.[12]

Cumulatively, between 1924 and 1937, flaring consumed an estimated 1.8 trillion cubic feet of "sour" gas—approximately 90 percent of the commercially recoverable natural gas, worth several hundred billion dollars today. Even at current rates of consumption, Turner Valley flares consumed enough "waste" to supply all of Canada's natural gas demand for the next 417 years.[13] This constitutes one of the worst man-made environmental disasters in provincial history. Flaring depressurized the field, squandering the gas cap capable of lifting the crude oil beneath Turner Valley to the surface. Thus, despite being a prolific oil field, as Robert "Streetcar" Brown, Sr., finally proved in 1936, Turner Valley produced far less oil than it could have. Of the one billion barrels of crude estimated to be in Turner Valley, only around 140 million barrels were recovered.[14] Arguments by the province that producers were hurting the environment and harming the oil field did not stop the practice. It continued to draw negative attention from international commentators and forced the provincial government to step in and expand the regulatory regime over the extreme objections of independent producers. Even still, the backlash against government intervention, in favour of bootstrap individualism and the free market, proved so fierce that Turner Valley producers sued the province, challenging the premise that the provincial government had the right and responsibility to regulate the petroleum industry operating within its borders.

But that's a different story altogether.

Acknowledgements

This is not the book I set out to write. *The Boom* began as a COVID project—to pass the time and make the most of a year-long research and scholarship leave in 2022–23. I had originally planned to work on a different topic, but like so many things upended by the pandemic, I had to improvise and adjust on the fly. As the world slowly began reopening, I calculated that I was more likely to gain access to local archives before national or international ones—and that gamble paid off as travel restrictions gradually loosened. Even then, my research had a different focus before I concluded that I needed to cover the first Turner Valley boom. While going through the digitized newspaper collection at the University of Calgary Libraries, I stumbled across a few ads for Black Diamond Oil Fields that stood out from the flurry of advertisements in Alberta newspapers in 1913–14. As I dug deeper, the stories became increasingly colorful, and it didn't take long for me to realize there was a compelling story worth telling.

Historians always accumulate debts to archivists and librarians who unfailingly lend their help and expertise. Nadine Hoffman, the History Department's librarian—and one of my late sister Ann-Marie's friends—kept me updated on when archives would reopen. Finally, in the spring of 2023, I was back at the Glenbow Western Research Centre, and the project really took off.

At many steps along the way, I have received excellent advice and guidance. At the Provincial Archives in Edmonton, I had the good fortune to work with Michael Gourlie, Kathy Epp, Elizabeth Johnson, and Kari Cartwright. At Library and Archives Canada in Ottawa, Michel Brideau and Alexandra McEwen were invaluable in helping me navigate their collections; Wade Popp at the National Archives in Kansas City; and Lynn Bullock at the City of Calgary Archives. I'm also grateful to all the staff and archivists at the Glenbow Western Research Centre. With its fabulous reading room and helpful staff—especially Allison Wagner and Maggie Hunter—I am only partially joking when I tell people it is my summer home. This project benefited enormously from the expertise and generosity of all these individuals.

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Families experience the writing of a book more intimately than anyone else, becoming part of the process in too many ways to count. My two boys, William and Jack, had front-row seats as the story of George Buck took shape. They listened intently over dinner conversations and came to accept that their dad might vanish into pre-war Turner Valley for long stretches. Thanks to Jack for always checking in on my progress and for helping to choose which pictures to use; and to William, for his Photoshop skills. You both keep me grounded—and made sure I took breaks for video games and table hockey.

My mother, Audrey, was the manuscript's first proofreader and welcomed our conversations being overtaken by Turner Valley's stories. She never hesitated to tell me when things didn't make sense and—true to form—didn't even blink when I told her one night that there might be a book in the tale of George Buck.

This book holds special meaning because of two people who helped inspire it—my dad, Tony Chastko, and my late uncle, George Glowa—neither of whom got to see it completed. They taught me the importance of a great story at countless family dinners. Unlike a historian, however, they might have played fast and loose with the details—but always in service of the story.

My dad arrived in Calgary during a later boom in 1968, a newcomer to the oil patch, and launched himself fully into the life of a Calgarian until his passing in 2009. As I wrote certain sections, I could hear his laugh and see his smile. I think he would have loved this book.

My uncle George saw the early stages of this project. One late summer evening, he asked what I was working on. I gave him a quick sketch of George Buck and Turner Valley in 1914, and he instantly knew it was a helluva story. Every few months, he'd ask for updates. Just before he passed, I sent him four chapters—but I don't know if he got to read them. Maybe, as my cousins—Tim Glowa, Jackie Kane, and Michelle Wilks—read this book, they'll remember the stories our dads used to tell at countless family dinners.

Finally, to my partner, wife, and ride-or-die—Michelle—what more can I say than I'm having the time of my life, fighting dragons with you. Yes, I just quoted a Taylor Swift song in the acknowledgements. There's nothing I can't do with you by my side—except for a true crime podcast. Unless, of course, it's about George Buck . . .