The Petroleum Industry of Canada

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BY T. PASSINGHAM

Amongst Canada's most interesting and least known sources of her wealth is her petroleum oil industry, which, although of small proportion as compared with the immense developments in the United States and Russia, has still had a marked effect upon the economic development of this country. The Canadian oil business is really the first of its kind to be worked on a systematic commercial basis. There was a previous mineral oil business in Scotland, but this oil was not got from wells, but by mining an oily shale and distilling it. Long before Col. Porter struck the first well in Pennsylvania, prospectors and oil men—mainly Americans—were developing the Canadian fields. In fact so great was the yield of oil at first that the United States placed a very heavy duty upon Canadian coal oil, which has since remained, although it is many years since there was any possibility of Canadian oil competing with the American product, and, in fact, a large proportion of the oil burned in Canada has been imported from the States.

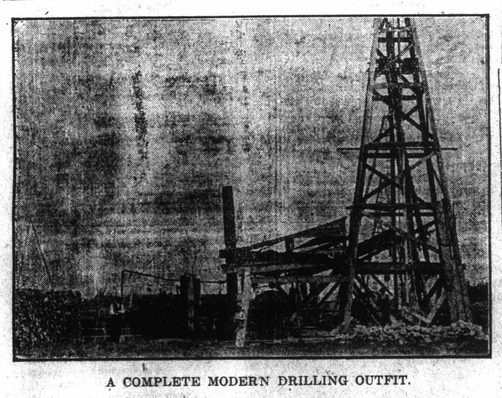
Although "shows" of oil have been discovered at many places in Canada, from the Gaspe Peninsula on the Atlantic and the Rocky Mountains, the only really important petroleum fields yet worked in Canada are those of Lambton County, in the southwest corner of the Ontario peninsula. Even there, despite the utmost activity of the oil men, they have been unable to keep up with the growing demand for coal oil and the other petroleum products, and for years past over 30 per cent. of the coal oil used in Canada has come from the United States.

It was 'way back in the early sixties that the Lambton County petroleum was discovered to be of commercial value. Long before white men ever visited the country, however, the Indians knew that it was rich in oil, which oozed out of the soil and floated down the creeks. The aborigines used it for medicine, and when the first settlers appeared three-quarters of a century ago they did the same, the oil being regarded as good for rheumatism, and as a substitute for castor oil. Many of the early settlers made a good deal of money by gathering the oil off the surface of Bear Creek and peddling it in medicine bottles.

This did not last long, however. The fame of the oil spread, and it did not take long for prospectors to figure out that there must be some big reservoir to supply the surface seepage. A surface well was dug about a 1863 on the edge of Bear Creek close to the present town of Petrolia, and it was found that there was plenty of oil. At first it was thought that it was all "surface oil," which was a remarkably valuable lubricant. Later, however, several adventurous spirits resolved to try deeper down, and with infinite pains a hole was drilled several hundred feet in the rock. The result justified their work, however, as a flowing well was struck, flooding the district with oil, which ran away down the creek.

REFRESHING AN OLD WELL WITH A SHOT OF NITRO-GLYCERINE.

News of the strike spread quickly and a terrific oil craze set in. Venturesome spirits from far and wide journeyed through the woods of the oil fields, property was taken up in all directions, and hundreds of wells were soon under way. There was any amount of excitement and industry, but very little money in those days, but everyone was confident they were on the edge of a bonanza and worked with feverish energy to get their wells down—and to watch the oil waste itself on the ground and down the creek.



A COMPLETE MODERN DRILLING OUTFIT.

Putting a well down then was a matter of tremendous labor and took seven months, where today a well is sunk 475 feet with little trouble in a week or less. After the surface earth had been bored through to a depth of nearly 100 feet there were 375 feet of hard lime and other rock strata to be drilled before the oil bearing rock was reached. This is a strata of spongy brown rock from five to ten feet thick, heavy with petroleum. To drill these wells in the old days a heavy drill and sinker were hung in the well from a long jumping pole, balanced over the well on a fulcrum, which gave a strong leverage. The driller walked to the end, which pulled the drill up, and jumped off, letting it go down with a bang, and this slow process was repeated until after months of effort the well was finished. It was an infinitely tiresome proceeding, but was generally richly rewarded, as almost every well flowed immense quantities of oil, which was then very valuable, at one time going as high as $11 per barrel.

After operations had gone on for some time at Petrolia, it was found that there was a richer and shallower pool a few miles away at Oil Springs and the original fields were deserted in a general rush for the new field. Wells were put down with wasteful prodigality, and the production of oil became tremendous. There was as yet little market for the oil, and no means of storing it, while every day new wells were drilled, producing thousands of barrels a day. Still the mania went on, and the whole district became soaked in oil, which floated down Bear Creek by millions of barrels until the whole creek for miles was inches deep in the precious fluid. Finally this caught fire, and for miles it burned with inconceivable fury. It is estimated that in this conflagration at least five million barrels were consumed, the fire lasting for days. The oil flowed down to the mouth of the river, and was noticed on the navigable portions of the Sydenham river, where the vessels were smothered with the tarry mess.

Nothing, however, could stop the speculative fury. Drilling went on undisturbed, properties changed hands at fabulous sums, and on all sides the most extraordinary activity was manifest. Speculators flocked in, and it was not long before several small refineries were built which gave some small outlet for the immense production, despite the fact that there was not a railroad within miles and the oil all had to be teamed out. Fortunes were made one day, and lost the next, and there were all the ups and downs of a typical mining camp. The population of Oil Springs grew to nearly ten thousand, and there seemed no limit to the wealth.

As an example, one of the wealthy men of Canada today, John H. Fairbank, came to Oil Springs at that time with very little capital besides his brains. He secured a small lot, and of course put in a drilling plant, and started to bore a hole in the ground. His capital, however, was not as elastic as his spirits, and he was "up against it" before he reached the bottom, so much so that he lacked the cash to pay for the necessary sharpening of his tools. From one blacksmith to another he went to get his drill dressed, but they were too busy with cash trade to bother with him. At last one took pity on him and fixed his drill. Shortly afterward Mr. Fairbank struck a well which flowed five hundred barrels a day, worth anywhere from $5 to $10 a barrel. But that was the beginning of his fortune. He steadily grew in wealth, became the leading oil man of his day, an immense owner of real estate, a private banker and a member of Parliament, and today is rated at millions. The blacksmith who had aided him remained at his forge until overtaken by old age—and then came Mr. Fairbank's turn. The blacksmith was remembered with a pension, which kept him the rest of his life in comfort. The early days of the oil fields were full of such stories as this.

But the wasteful extravagance of the earlier prospectors, who apparently drilled wells for the mere pleasure of seeing the oil float away, produced the inevitable result. The supply began to fail and big discoveries were made at the older Petrolia fields. The end of the Oil Springs excitement came even more suddenly than it had begun. In 1866 the Fenian Raids caused great alarm and many left the country. Not long after the underground reservoir was emptied so rapidly that a well bought for thousands of dollars one day was dry almost the next day, and the population deserted the place. Many went to the Petrolia fields, while the majority left the country for good, and within a few weeks the growing city of thousands was absolutely deserted, there being little left but an oily mess, a number of empty houses and the first two storeys of a big hotel which was never finished. Many of the houses were also pulled bodily to Petrolia. For the time being Oil Springs was nothing but an ill-smelling memory.

The Petrolia field, however, proved more stable. The oil men had learned more economic methods and recovered from their original madness. Wells were drilled by steam engines instead of by the old jumping pole; it was found that the field was much more extensive than was at first supposed, and big flowing wells were struck in all directions for a time. Railways were built to connect with the new centre of activity, and oil refineries were built to handle the output—London, Ont., for a long time being the centre of this business which was later, however, transferred to Petrolia.

VIEW OF OIL FIELDS AND TANK WAGON GATHERING THE OIL.

It was not long, however, before the wells ceased to flow, and pumping had to be resorted to. This meant at that time that a separate pumping engine had to be installed for each well, which was so expensive that for years a well which was not good for ten barrels or more a day as abandoned as worthless. Production, however, increased by leaps and bounds, and for years there was a big surplus in the thousands of immense underground tanks used for storing the oil, and petroleum became a drug on the market, ranging anywhere from fifty cents to a dollar a barrel.

The production was further increased by the discovery of a method of pumping a large number of wells from a single pumping station by means of "jerker rods." The rods were connected with a large wheel, which made them jerk up and down, and this jerking motion was conveyed by means of triangles to a walking beam over the wells, which worked the pumps. In this way today as many as three hundred wells are hooked up to one pumping station. It is an odd sight in the oil country to see a perfect forest of tall tripod derricks, as many as five and six to the acre, as far as the eye can see, each with its pump quietly working away with slow rythmic motion, and no visible source of power.

This discovery once again revolutionised the industry by so reducing the cost of operation that almost any producing well was worth pumping. The production naturally increased, and for a time there was not much prosperity in the oil country. However, the demand for all kinds of oil products grew amazingly. Within a few years the surplus stores of petroleum were all used up and the demands of the refineries were insatiable—sufficient oil could not be produced. Every well that would give any supply was utilised, the price of oil naturally rising with the increased demand, until today there are thousands of wells being profitably operated which do not average a third of a barrel a day.

It was thought plain that the production was gradually falling off, and the oil men lived in daily dread that the bottom would fall out again. A fresh impetus, however, was given to the business by the discovery that the detonation of a powerful explosive in the oil rock at the bottom of the well would greatly increase the production. After considerable experimenting it was found that nitro-glycerine— the most terrible explosive known—gave the best results. With the feverish energy characteristic of oil men everybody wanted their oil wells "shot" at once. Factories for the manufacture of the frightfully dangerous fluid were established, and the first "glycerine men" speedily grew wealthy, as the stuff was very cheaply made, and sold for $20 a quart at one time.

The system was very simple, consisting merely in the filling of the well with water to hold the force of the concussion; then the nitro-glycerine as lowered to the bottom in long tin cylinders and exploded by dropping a fuse. A moment later a shock would be felt through all the 475 feet of rock and clay, and in a few seconds a fountain of water, oil and shattered rock would be hurled a hundred feet or more into the air. The result was to so shatter the oil rock and open the crevices, that not only were the wells made doubly valuable, but "dry holes" were frequently made producers.

Another unlooked for result of the use of nitro-glycerine was the reviving of the Oil Springs field, which resulted in making another crop of rich men. In the rush to get away from Oil Springs oil farms were abandoned or sold for next to nothing. Those who secured them were now exceedingly fortunate. The wells were shot and once more became big producers, and the field took its place as a steady source of supply.

Probably this nitro-glycerine trade is the most dangerous in the whole world and big wages have always had to be paid to the "shooters," who also made the stuff. Considering the carelessness of the men and the enormous quantities of the explosive used, very few accidents have happened. It is generally undrestood, however, that with the glycerine a man makes only one mistake. After that there is seldom enough found of him to make material for a funeral. From time to time the factories blew up, generally with loss of life, and nothing left to mark the place but a huge hole, and a few scattered remains of men and boards in the distance.

ORIGINAL METHOD OF KICKING A WELL DOWN.

A fresh impetus was given to the oil trade by the invention of a process of extracting parafine wax and lubricating oils from the tarry residue left after the coal oil has been distilled from the petroleum, which was discovered by an oil man named John McMillan. This added immediately to the value of the oil, as hitherto the tar had been either wasted or used as fuel. The discovery of the new process made it almost as valuable as the illuminating oil, thus doubling the economic value of the crude oil. Mr. McMillan's invention made him one of the rich men of the oil fields, and when a few years later he died he left instructions that his body should be embalmed in parafine wax—which was carefully done before he was laid away in the vault, hermetically sealed in wax until the Judgment Day.

With these various discoveries the oil business grew, and gradually a feeling of confidence in its permanency actuated oil men. The fields were extended in all directions, and thousands of dollars were lost trying to open new pools, while others grew rich by succeeding in locating fresh sources of supply. Today there are probably close upon twelve thousand wells being pumped. Most of these, however, are small producers, probably not averaging half a barrel a day. With oil at its present price, around two dollars a barrel, and the reduced cost of operation, the man who owns a dozen or so of these wells is pretty well off. Today a well can be put down in a week at an expense of $100. Should it prove dry this is all that is lost, while if it is a producer another $200 will case it and install a pump.

Once produced the oil is collected by means of tank wagons and underground lead pipes to tanks, whence it is delivered to collecting agencies, who give "warehouse receipts" for it, and look after the subsequent delivery to the refineries. These warehouse receipts are the articles that the producer has to show for his goods, and which he sells as so much oil.

It is estimated that since the opening of the fields more than $30,000,000 has been invested in the producing trade, while many millions have been spent in refining and other lines of enterprise, and in fact one peculiarity of the trade is that no sooner does a man make a few hundreds or thousands out of his holes than he proceeds to sink almost as much money as has been put into the ground in the oil business as has been taken out of it. At present Canadian petroleum is worth about $12 per barrel; it yields 42 per cent. of illuminating oil, 5 per cent. benzine and gasoline, while the tarry residue is converted into parafine, vaseline, axle grease, and dozens of other varieties of lubricating and railway oils.

For years the Canadian petroleum industry was heavily protected by the tariff. The Liberal Government, however, gradually reduced this, until a few years ago it took the duty off altogether and in its stead gave the oil men a bounty of fifty cents for every barrel produced. This has worked satisfactorily, save for the fact that under the old abolition of the duty the Standard Oil Co. has bought out the largest refineries, and today is by far the greatest power in refining circles, thus to a large extent being able to dictate the price of oil. In justice to them, however, it must be said that since they "invaded" Canada the producers have got better prices for their oil than ever before.

HOW A WELL IS DRILLED TODAY.

CHAT FROM THE EMPIRE'S CAPITAL

(Canadian Associated Press Correspondence.)

LONDON, Jan. 22—A pronounced feeling exists at Cape Town that a South African premier should preside at the colonial conference. It is feared there that British hospitality may interfere with the serious work of the conference.

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The News refers to Root's visit and says it is of the highest consequence. The Dominion should be on friendly terms with its great neighbor, though it is not necessary or desirable that they should exchange commercial privileges. It hopes the visit will be productive of lasting good.

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The will of Archibald Thomas Anderson, who died in Toronto in August, 1897, came before the Scottish courts, which decided that Anderson had validly bequeathed to his wife his share of 5,000 pounds in his father's estate.

Japan is anxious to make reciprocal arrangements with the commonwealth of Australia, as she has done with the Dominion.

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The Glasgow Herald hopes the trips of the icebreaker Montcalm on the Lower St. Lawrence will show the world that the estuary is not frozen over in winter and educate British underwriters into the true condition of the St. Lawrence not only in winter, but in spring and fall.

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The Scotsman's London correspondent, referring to Sir Percy Girouard's appointment, says attention is attracted to the official qualification of the appointment as temporary. The most obvious inference is that Girouard will be on trial as administrator of the greatest of British West African possessions, but it is also suggested that the temporary character of the appointment may be not without significance in connection with prospects of amalgamation of Northern Nigeria.

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The Journal says it is only now that the truth about Chamberlain's health is dawning on tariff reformers and adds that they are so indignant with Balfour that a movement is being made to force him out of the leadership.

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Hamar Greenwood sends an account of the Jamaica earthquake to the Daily Mail, in which he says he was just entering Myrtle Bank hotel with Wesse Collins when the earth trembled and split into huge fissures. Fires then started and the scene became a hellish one. Everyone was now recovering heart.

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The Colonial and Continental Church society has already raised 14,000 pounds and 3,000 pounds respectively for work in Canada.

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"South Africa is a great country, but cursed by the search for gold and precious stones," says W. T. R. Preston, writing a letter to a friend, published in the Morning Post. If agriculture were developed the whole sub-continent could be made as prosperous as Canada. Regarding the political situation, he says if the Dutch win there will be antagonism at once.

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Referring to the German attempt to corner the rare metal tantalum, the Daily Mail remarks that American financiers have tried, not unsuccessfully, to obtain control of Canadian deposits of cobalt nickel.

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The Daily Mail says the Canadian government has offered Jamaica substantial help and the mother country cannot possibly permit herself to be outdone by the daughter state. It urges the colonial office to offer a loan to rebuild Kingston.

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Edward Sasson, writing in the Times in support of the channel tunnel, says the invasion of Britain by any appreciable number of men is as likely as an invasion of Canadian territory by American troops or a combination of the whole world's fleet against the United States.

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Tom Sullivan, the great sculler, prophesies that Towns will beat Durnan. He says the latter is not in the same class as Towns.

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At a meeting of the central unemployed body, Mr. Chas. Elliott said that it was an extraordinary thing that ratepayers were called upon to find 30,000 pounds to send away 5,000 people who might get a living in London. He protested against such a scheme whilst they were letting into this country the scum of the earth. Mr. Lansbury said that they were only sending out men to benefit the capitalists of Canada. An amendment to reduce the amount by one-half was rejected and it was also decided not to send out an officer for investigation.

Reuter, regarding Secretary Root's visit to Canada, learns that in well-informed quarters here there is reason to hope that the slate will be partially cleaned or at any rate in the near future. The imperial government has naturally suggested certain lines of action to the Dominion government, but does not go beyond recognizing that the Ottawa government is the best judge of the issues at stake. The Canadian reply shows that Canada shares with Secretary Root a real desire to settle all disputes.

ROWDYISM IN SOCIETY.

Rough Work in English Homes—Scandals in the Smart Set.

All the eloquent denunciation of fashionable London society by Father Vaughan and exposes of it by sensational writers have failed to effect any reforms. In the ultra-smart set rowdyism is still rampant and good manners are conspicuous by their absence.

During the country house season, now in full swing, this has been made abundantly manifest. Many hostesses have had their houses turned upside down by aristocratic guests. Mrs. Bradley-Martin is one of them. She is one of those rich American women in English society, in whose estimation, apparently, rank and pedigree absolve their possessors from obligations to observe the rules of ordinary good breeding. At Balmacaan, the magnificent Scotch seat which she has leased from the Countess of Seafield, among her guests for the shooting season have been a number of giddy, aristocratic matrons and blue-blooded, frisky girls. They have run the house to suit themselves.

Once a band of these female terrors seized the wardrobe of a man who happened to be a guest in the house and decorated the garden with it.

Blackmailing Hussies.

At another time a group of these marauders seized a man's writing case and refused to surrender it unless he promised to give each of them a dozen pairs of gloves. They stipulated that they should all be of the latest style, reaching well above the elbows. They cost about $1.50 a pair. The man submitted, because, as he told a friend, his writing case contained the letters of a woman he cared for and he would not have them read by "a rowdy, vulgar, blackmailing crew of hussies."

When Mrs. Bradley-Martin was told of the incident she laughed, treated it as a good joke, and remarked that the "dear girls" were so full of high spirits they must be allowed to have a little fun in their own way.

Two of the "dear girls" will never see 40 again; but, as the daughter of a Marquis and the wife of a Viscount were concerned in the raid, of course no exception could be taken to it.

Theft of a Ruby.

The name of the individual who is supposed to have stolen the Duchess of Roxburgh's ruby pendant while a guest at Floors Castle is freely whispered in society, although every effort is made to keep the story out of the press.

This pendant was regarded by the Duchess as her mascot and was a gift from her late father which he purchased for her at a famous shop in St. Petersburg.

When she realized the loss of the jewel she wanted to send to Scotland Yard for detectives at once and have the guests and their rooms searched, but the Duke, who has a horror of notoriety or getting talked about in the papers, said that if the Duchess' entire jewel case had been taken he would not allow her to make a scene. Every one knows she is absolutely under the thumb of this dour, masterful Scot, so she immediately gave in to his wishes and the search was abandoned.

Pay to Hush Scandal.

Of late the country houses in Great Britain have proved a happy hunting ground for the society thief, and lace and furs, as well as jewels have been disappearing with great frequency. Little has been said on the subject, because, as a rule, the British hostess would rather forfeit half she possessed than let it be known that a guest under her roof had been guilty of theft.

Here is an instance: Some time ago a Duke and Duchess were entertaining a large house party, when there was a tention, and on the spot the hostess handed her a cheque for the full value of the scarf, stipulating that she should take no further steps for its recovery. The detective was given $50 to say nothing about the matter.

Women who take valuable jewelry and finery with them to swell house parties are now frequently accompanied by two maids, who take turns in watching the belongings of their mistresses.

MR. AKED'S LETTER BOX.

Mr. Rockefeller's New Pastor Asked to Interest Him in Schemes.

LONDON, Jan. 25.—The Rev. Mr. Aked, who has accepted a call to the Fifth Avenue Baptist Church, New York, has announced to a meeting of his congregation in Liverpool that his ministry there will end on March 3. He will then spend a month at Davos-Platz, Switzerland, to recruit, and will preach his farewell sermon in Pembroke Chapel, Liverpool, on April 4. He will sail on the Campania on April 7.

He said humorously that many persons would be glad to learn that his punishment for accepting the call to New York had already begun. He was receiving hundreds of letters from all over the world pleading that he appeal to Mr. Rockefeller for money. These letters were coming in battalions from all denominations.

One writer unctiously implored for the sake of "our dear Lord" to beg Mr. Rockefeller to give $10,000,000 for religious work in England. Another urged him to induce Mr. Rockefeller to finance the writer's patent nerve plaster, promising to supply Mr. Aked with plasters for nothing during his lifetime.

A distinguished member of the judiciary modestly asked for $60,000 to endow an object in which he was interested. Mr. Aked added: "I do not answer these letters, but I wonder if people take me for a fool."

Cold-Blooded Murder.

BEMIDGI, Minn., Jan. 25—A sensation has been caused by the arrest of Paul Fournier and Geo. Cyr, of Quincy, on a charge of murdering N. O. Dahl and his daughter, Angot, near Quincy in April, 1904. The murder, which made a tremendous sensation all over the northern part of the States, was a particularly cold-blooded affair. The police are confident that one of the men under arrest will be found guilty of the crime.

Vatican Denounces.

ROME, Jan. 25.—The new French Apostolic Catholic Church of France has been denounced by the Vatican as non-Catholic.

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