

THE SEMI-WEEKLY TELEGRAPH, ST. JOHN N. B., AUGUST 21, 1901.

STORY OF THE OIL INDUSTRY IN NEW BRUNSWICK.

What Mr. M. Lodge Has Done for the Development of That Mineral in the Province.

Memramcook, N. B., Aug. 16—"Nothing succeeds like success," was, perhaps, never better illustrated than in connection with the development of the oil industry in this province. Less than six months ago there were probably fewer than a dozen people in the province who had strong belief that oil could be found in New Brunswick. At present there is a very general opinion in Westmorland and Albert counties that the mining of oil is likely to become one of our great industries, and that those who were fortunate enough to be "in on the ground floor" have indeed struck it rich. Your correspondent visited the oil wells the other day in company with Mr. Clarke, the manager of the Moncton branch of the Bank of Montreal and others. It might be more correct to say oil well, for as yet there is only one oil producing well in operation. It is situated a short distance from here, on St. Joseph's College farm—almost just back of the Lefebvre Memorial Hall. Hon. H. R. Emmerson, Hon. A. D. Richard, Judge Emmerson, Mr. M. Lodge, Dr. Hanney and others were met at the well. Oil was pumped from the well by a steam pump, which has recently been put in place, with a result that was highly gratifying to all. The well had not been operated for some hours before, the workmen having been engaged boring another well some four hundred feet distant from the producer. Between five and six barrels of oil were pumped in a little more than two hours. As a matter of fact the New Brunswick Petroleum Company, under whose management the oil fields are being explored, were not properly prepared for the discovery of oil in paying quantities at as early a date as the oil showed itself in the present producer. They had no iron tanks ready for the reception of the oil, and they have had to use the ordinary oil barrels for the curing of the production of the pumping well. Mr. Lodge, the secretary of the company, explained to the visitors that up to the present time the chief object of the company was not to see how much oil could

be taken out of the well each day. They had satisfied themselves that the well could produce from eight to twelve and even 16 barrels per day, which would mean double that quantity in the 24 hours when they worked, as they intended doing, night and day. "Having found oil in paying quantities in the present well," continued Mr. Lodge, "our desire is to have a cluster of wells sunk as near as possible to the present producer—a cluster of say eight or ten wells. If those should turn out to be producers, or even a majority of them, then the commercial value of our franchise would be more than successfully demonstrated. Up to the present time the company has not offered a dollar of its stock to the general public, and has no intention of doing so until it has been demonstrated beyond all question that New Brunswick is the great oil producing country that such men as Dr. Olyphant, of the geological department of the United States, and Prof. Shaler, of Harvard College, gave it as their opinion the province after proper explorations, could be. We have made new contracts for the boring of ten additional wells. These may all be sunk in the vicinity of the present well or in any other part of our territory, which embraces the whole province. It is more than likely that our staff of workmen will be increased immediately and that from this out we may pump this well for all it is worth, and in that way obtain a revenue more than sufficient to sink scores of new wells." Answering the question if some outsiders had not been given a chance by the company to purchase some of the stock recently offered to original shareholders, Mr. Lodge said: "No, the company never offered any stock except to shareholders, though I have reason to know that some few outsiders have obtained some of the stock. This is how that happened: When the directors satisfied themselves, a few months ago, that there was no doubt that oil could be produced in paying quantities, they decided to issue 10,000 shares of stock—the par value of which is \$10 per share—to shareholders, at the nominal figure of \$1 per share, the

amount to be issued to each to depend upon the amount of his original holding. More than a few of the shareholders took advantage of this offer, and in that way those shareholders purchasing were able to get some additional stock or shares. Soon after the stock was offered to the shareholders the oil was struck in paying quantities and then nearly everyone of the original shareholders wanted to get additional stock. Of course we only sold the 10,000 shares, though we had applications for at least four times as many. We have had offers since for shares at all the way from \$1.50 to \$10 per share, but as our company was not organized for speculative purposes, but for the development of the oil industry, we had to decline all such offers. Later, when large refineries have to be built and pipe lines constructed it may be necessary to make further issues of stock, which, no doubt, will then command large prices. Then it will be quite impossible for the company to prevent speculation in its stock. Even now there is nothing to interfere with any stockholder selling his stock, but so far as I know every stockholder is holding on to his shares and anxious to obtain more stock." Asked if it was true that the company had received an offer from the Standard Oil Company for their franchise, Mr. Lodge replied: "It is not true, though I think I may tell you without violating confidence that even as far back as two years ago we were given to understand that that great corporation was prepared to consider an offer from us, and we have had intimations from high circles many times since that they were still open for business. Our idea from the first has been that we should thoroughly demonstrate the commercial value of our franchise, and that having done so, if we parted with any of our interest it would be at a figure which would give every stockholder in New Brunswick a howl. As our company well, as well as guarantee to the province the prosecution to the fullest extent of the oil industry." You correspondents have from St. Joseph's to Moncton with Mr. Lodge and heard from that gentleman the story of the earlier history of boring for oil in New Brunswick—how oil was struck in Westmorland as far back as 1859; how, at different times, there have been borings in that and other counties of the province; how little or nothing came of such efforts—sometimes because of want of capital; again, because of legislation by the United States, and more frequently because it was next to impossible to obtain leases of oil bearing properties without paying ridiculously large sums for the privilege.

"Coming to my own time," said Mr. Lodge, "it is about nine years since I became filled with the idea that we had oil in paying quantities in New Brunswick. I came to that conclusion because of a study of the work done by others in this direction during the past 40 years, and because of the result of my own observations and explorations. I stuck to that idea through good and evil report until I am sure I came to be regarded by those who knew me as a crank on the subject of oil. I went to Boston and succeeded in interesting two gentlemen named Reid and Shaler in the theory that we had oil here. They were pipe manufacturers and also did a large foundry business. They came to New Brunswick and looked the field over. We bored a hole about a mile and a half from Moncton to a depth of 70 feet. The operation was on Behang's farm and we used a small hand churn drill. We found a heavy flow of natural gas and dug out a spring there to the depth of seven feet and gas came out so that we could light it on the top of the water. We could also gather oil on the top of the spring. Mr. Reid was well pleased with the prospects there and also at Dover and Memramcook. Several farms were leased in the vicinity of Moncton and Memramcook, but the story got abroad that capital was coming into the country in abundance and values of leases of farms went up so amazingly high that Messrs. Reid abandoned the idea of going on with the explorations, although well convinced, that under proper conditions there was a bonanza in the development of the oil fields of New Brunswick. There was nothing more done to speak of until the summer of 1898, when I again took up the oil proposition. I was more convinced than ever that oil could be produced in paying quantities in this province. The question was how could a franchise be obtained that would attract capitalists—how could the work be prosecuted without having every owner of property put a price on a lease much higher than any company could afford to pay? I read and re-read the Whitney coal contract with the Nova Scotia government, and thought if a company could obtain some such franchise with respect to oil development in our province it would be more than possible to make a success of the oil industry here. I interviewed Hon. Mr. Emmerson, then the provincial premier, who after a few days consideration, made up his mind that there might be something in my scheme and he called a special meeting of the government to consider the matter. The result was the passage of an order in council substantially covering the bill passed by the legislature at its session in 1899 entitled an act to

encourage the discovery and development of oil and natural gas within the province of New Brunswick. By that act oil and natural gas were made minerals within the general mining act, which was not formerly the case, and the company to be organized under the bill were given a valuable franchise. Under the bill and under its incorporation act the company, however, was required within two years from the date of the license to expend in boring for oil and natural gas not less than \$20,000, and not less than \$20,000 each and every year afterwards—and not less than \$100,000 in the whole within five years from the date of their license. The bill, while a valuable one for the company, safeguarded the interests of the province as well as the owners of properties that might be operated upon. In addition to requiring the company to make the expenditures named the bill provides for the payment to the crown of royalties of five per cent. of the output delivered at the well's mouth or five per cent. of the commercial value thereof. If the company carry out it is required to do for five years it will then be entitled to a lease of an area not exceeding ten thousand square miles to be selected by the licensee from the area covered by the license to search, such lease to extend for 99 years and then be subject to a renewal of a further period of 99 years." "Do you not think these are very great powers to confer upon any company?" asked the writer. "Yes, they are," Mr. Lodge replied. "Hon. Mr. White, then a member of the government, thought such powers were too great. But it was shown that it would be impossible to secure capital to develop the oil bearing regions unless some such exclusive privileges were granted. After all, the period of five years is not such a long one; and considering that the oil bearing belt from surface indications covers so large an area it was felt by the government that it was worth the risk of \$100,000 in developing our properties—provided they were satisfied with the report of a geologist of their own selection. They selected Professor N. S. Shaler, of Harvard University, who is known as an eminent geologist of the world over. He was given a free hand to employ as many men as he thought proper in an exploration of the province. Prof. Shaler selected Harold B. Goodrich as chief of staff, and Messrs. Barr and Boynton as assistants. From May till November, 1899, this staff of competent men explored the province while Professor Shaler himself inspected their work and personally examined the different formations. The result of their labors was embodied in reports by Prof. Shaler and Mr. Goodrich, and lengthy extracts from their reports have been published within the past few months in our papers. You will, perhaps, remem-

The Company's Splendid Franchise and What It Has to Do for Its Exclusive Rights.

"After the provincial government's order in council," continued Mr. Lodge, "I went to work to organize our company. About this time I had the good fortune to meet Dr. F. H. Olyphant, who is at the head of the geological department of the United States (in the department of oil). He came to New Brunswick on a general inspecting trip and was so pleased with the outlook from the oil development standpoint that he made a second trip to our province. "Is it not true that Dr. Olyphant is also the special consulting geologist for the Standard Oil Company, and that he was here with the view of securing, if possible, control of your company's franchise for that corporation?" "My relations with Dr. Olyphant were of a confidential character and while I can show you many letters from him in which he speaks well of our prospects I would not feel at liberty to answer your question for publication. At all events the Standard Oil Company has not obtained any of our franchise nor are they or any other corporation likely to do so without paying well for it. In 1899, through Mr. B. F. Pearson, of Halifax, we made a contract with Messrs. Clarke and Goodrich, of Boston, owners of large oil properties in West Virginia, under which they were, for a majority interest in our franchise, to expend at least \$100,000 in developing our properties—provided they were satisfied with the report of a geologist of their own selection. They selected Professor N. S. Shaler, of Harvard University, who is known as an eminent geologist of the world over. He was given a free hand to employ as many men as he thought proper in an exploration of the province. Prof. Shaler selected Harold B. Goodrich as chief of staff, and Messrs. Barr and Boynton as assistants. From May till November, 1899, this staff of competent men explored the province while Professor Shaler himself inspected their work and personally examined the different formations. The result of their labors was embodied in reports by Prof. Shaler and Mr. Goodrich, and lengthy extracts from their reports have been published within the past few months in our papers. You will, perhaps, remem-

PRESIDENT CASTRO'S STATEMENT ON VENEZUELA-COLOMBIA SITUATION.

Blames Invasion on Conservative Government of Colombia, and Not on the People.

New York, Aug. 17.—The following cable message has been received by the Associated Press from Caracas, Venezuela, the secretary of President Castro, of Venezuela, in reply to a despatch addressed to the president, asking him for a statement on the Venezuela-Colombia situation: "The government of Venezuela, presided over by General Castro, is fully justified in all its work and acts. It is essentially liberal in its practices. It is of the opinion that the Conservatives of Colombia, probably led by ruinous and war passions, have resolved to protect and assist in a revolutionary movement against Venezuela and her government. All of this has been actually proven by the official publications issued by the cabinet in Bogota. They date from the first of April. This view has not been denied, either by the Conservative government of Colombia or by her envoy extraordinary and minister plenipotentiary in this capital. When the government of Venezuela was surprised by the first and second invasions of her frontier by six thousand and two thousand men respectively, the invaders were victoriously expelled by the government and people of Venezuela. Since said events, ten thousand men have been massed on the frontier for the defence and integrity of Venezuela and its national honor. These are quite apart from her active services troops on other parts of the frontier, as well as national troops scattered over the republic and the reserve militia now under arms. "Venezuela has not accepted the invasion as an international attack by the people of Colombia against the people of Venezuela, but knowing its real source recognizes in it the work of the Conservative government of Colombia against the majesty of the nation of Venezuela. (Signed) "TORRES GARDENAS, "General Secretary." Willemstad, Island of Curacao, Sunday, (via Haytian cable)—President Castro, of Venezuela, some days ago sent to Cucuta, Colombia, arms, ammunition, and men to assist the Colombian revolution. Emilio Fernandez, former governor of Caracas, under President Castro, and subsequently administrator of customs at Lagunaira, who finally declared against Castro, has left Caracas, accompanied by 60 partisans, with the announced intention of invading Venezuela. It is also reported that Segundo Rivera has effected a landing. Berlin, Aug. 18.—The German government has ordered the cruiser Vineta, which is off the eastern coast of South America, to proceed to Venezuelan waters to be in readiness to protect German interests if an emergency should arise.

AN AWFUL CATASTROPHE.

Steamer Sunk in Pacific by Iceberg and from Sixty-five to Eighty People Were Drowned.

Victoria, B. C., Aug. 18.—The steamer Islander, the crack passenger steamer of the Alaska route, operated by the Canadian Pacific Navigation Co. of this city, struck an iceberg off Douglas Island at 2 o'clock on the morning of Thursday last and went to the bottom carrying from 65 to 80 souls, including passengers and members of the crew. Some of the survivors arrived here this evening by the steamer Queen. They report that, as the vessel went down, her boilers exploded, causing the death of many who might have escaped. Captain Foote was on the bridge when the vessel struck and stayed there and went down with his steamer. Among the passengers lost were Mrs. Ross, wife of the governor of the Yukon territory, her child and niece; Dr. John Duncan of this city; W. G. Preston and bride of Seattle; F. Mills, Victoria; Mrs. J. C. Henderson, Victoria; W. H. Keating and two sons, Los Angeles, Cal.; J. V. Douglas, Vancouver; Mrs. Phillips and child, Seattle; Mr. F. J. Victoria; Mrs. Nicholson, wife of Captain Nicholson. The members of the crew lost are Capt. Foote, Geo. Allen, third engineer; Horace Smith, second steward; S. J. Pitts, cook; two Chinamen; Buck Hooper and Burke, oilers; two firemen; mill sailer-watcher, Kandal; Joe Barl, second pantryman; two waiters; G. Millock, barber; N. Law, H. P. Jock, Porter and Moran, coal passers.

MARCONI'S SYSTEM TO SAFEGUARD ROYALTY.

British Admiralty Will Seek to Protect the Ophir at Cape Race.

St. John's, Nfld., Aug. 18.—The British admiralty intends to install the Marconi system of wireless telegraphy on Cape Race in order to communicate with the British Royal Yacht, Ophir, bearing the Duke and Duchess of Cornwall and York, when she approaches the Newfoundland coast in October. The idea is to prevent the possibility of an accident to the Ophir waters where so many steamers have been wrecked during the present season.

WOMAN'S BATHING SUIT NEARLY CAUSED RIOT.

Wearer of a Remarkable Costume, Cut in the Frenchest Fashion, Creates a Sensation on a Beach. Narragansett Pier, R. I., Aug. 8.—There came near being a riot on the beach here this afternoon. It was caused by a woman in a remarkable bathing dress. The garment was made of white silk, with pink and black spots, cut in the Frenchest fashion. After she had been in the water and came out for a promenade, she suit hung to her in such a manner that she gathered up with mingled murmurs of approval, wonder and indignation. Officer Champlin got the woman off the beach before the demonstration got beyond control. The woman was an excursionist. Her name could not be learned.

REJECT CARNEGIE'S OFFER.

Federal Trades and Labor Council Don't Want Montreal to Accept Gift for Library. Montreal, Aug. 16.—(Special)—The Federal Trades and Labor Council adopted a resolution against the city accepting \$150,000 offered by Andrew Carnegie for the purpose of providing the city with a free public library.

KRUGER AND WILLIAM REDMOND HOLLAND.

HAVE INTERVIEW IN DUBLIN.

Oom Paul Regards Irish as Brothers in Oppression--His Views as to Kitchener's Proclamation--A Boer Camp Surprised.

London, Aug. 18.—The Freeman's Journal, of Dublin, publishes an interview between Mr. Kruger and Wm. Redmond in Hilversum, Holland, in the course of which the president of the South African Republic, expressing gratitude for Irish support, said he regarded the Irish as brothers in oppression and urged the Nationalist members of the British parliament to continue their "efforts in the cause of justice and truth." When asked concerning the effect of Lord Kitchener's recent proclamation and of Mr. Chamberlain's speeches, Mr. Kruger replied: "My people are not to be frightened by such proclamations or speeches which only encourage them to continue fighting against the British empire. The British have used natives of the Cape Colony, and in the course of which we have not used armed Kaffirs. It has always been against our principles to use the blackman against the white." Mr. Kruger emphatically denied the existence of a Dutch conspiracy against British influence in South Africa. After regarding the Great Britain's promises as a matter of honor, he said: "I know Great Britain's promises. You in Ireland ought also to know them. The British promise to lend us money to put things right. Then, if it were not repaid, our land would be taken. They ask us to allow a rope to be put around our necks and to call that freedom. We should be slaves." After expressing his firm conviction that God, in good time, would give the Boers deliverance, he remarked: "Even now we could rebuild our country, but to do so we must have full confidence." He emphasized the word "full." When asked about farm burning and the concentration camps he exclaimed: "Why do they fight women and children? There are our own men to fight against. I do not believe the British people know what is being done in their name. If they did know, they would stop it." Mr. Kruger said nothing had been definitely settled on the subject of a visit to the United States. According to Mr. Redmond his appearance before the idea that he is breaking up either mentally or physically.

BARK ROMANOFF IS LOST.

Nova Scotia Vessel Foundered on Voyage from Belfast to Campbellton, N. B.

London, Aug. 17.—The Nova Scotian built barque Romanoff, of Belfast, in command of Capt. McLeod, which left Belfast July 23, bound for Campbellton, N. B.,

MAINE CENTRAL SHOPS DESTROYED BY FIRE.

Carelessly Thrown Cigar Stub the Probable Cause of \$15,000 Loss.

Brunswick, Me., Aug. 18.—The Maine Central Railroad carpenter and machine shops, under one roof, were burned this morning with a loss placed at \$15,000. The workmen's tools were saved but the heavy machinery in the building was ruined. The shop contained much seasoned lumber of value. The fire entered the railroad yard property but the absence of wind kept the flames in the single structure.

MASONIC VISITORS.

Canadian Knights at Old Orchard, Me., Get Big Welcome.

Old Orchard, Me., Aug. 17.—The Sir Knights of Richard Coeur de Leon Preceptory of Montreal and Sussex Preceptory of Sherbrooke, Que., arrived here this evening from their Biddford pilgrimage, accompanied by Bradford Comptroller of Biddford and Suso. A banquet was served at Hotel Fiske this evening. The Canadian visitors will remain here until Sunday evening. They speak in the most complimentary terms of the reception accorded them at Augusta and Biddford.

French Shore Conference.

St. John's, Nfld., Aug. 17.—The commanders of the Charybdis and the Isis, flagships of the British and French the colonial government concerning recent fishery difficulties that have arisen on the treaty shore. The French object to the presence of colonial fishermen near French stations. It is also asserted that they desire to prevent the use of certain fishing appliances by the coast folk.

GREATEST HARVEST IN HISTORY

Northern Alberta Will Have Two Million Bushels of Oats for Export.

Edmonton, N. W. T., Aug. 17.—(Special)—Nothing but a severe frost or a snow storm within the next two weeks and either is improbable at this season, could prevent Northern Alberta gathering the greatest harvest in her history. At present the condition of crops surpasses expectations. It has been estimated that Northern Alberta will have 2,000,000 bushels of oats for export.

Boy Accidentally Shot.

Three Rivers, Que., Aug. 17.—(Special)—Today, while a number of boys were firing with a Flaubert rifle, one of them, the son of John Young, aged 16, was accidentally shot dead.

To cure a Headache in ten minutes use Kilmford Headache Powders.

NO JOKE.

Editor—"You seem to have given up the mother-in-law jokes, and you used to be so successful with them. How do you account for it?" Joke Writer—"I've got one now."

FRENCH'S SCOUTS MEET DISASTER

Party of Fifty Surrender to the Boers—Engagement Between Kitchener and Botha Imminent on Zululand Border.

London, Aug. 16.—The war office has received the following despatch from Lord Kitchener, dated Pretoria, Aug. 16: "While a party of 50 of French's scouts were proceeding to join a column near Bethelsdorp, they were surrounded by the Boers, they were surrounded in the hills by a superior force under Theron and surrendered. One was killed and three were wounded, Captain Bethelheim dangerously." Lord Kitchener does not give the date but the casualty list indicates Aug. 8. Durban, Aug. 16.—Lord Kitchener, with a strong force, is moving on Honing, on the border of Zululand, where General Botha is reported to have concentrated 4,000 Boers. An important engagement is expected to ensue.