



WHEN SPINDLETOP BLEW

by

Laurence Bell

HORNETS, wet hens and other notoriously vexatious creatures were as gentle lambs compared with Farmer Charlie Ingalls that morning of Jan. 10, 1901. Reining his horse before the first cluster of idlers he encountered in prosperous but sleepy Beaumont, Texas, Ingalls unloaded the wrath that had beset him during the three-mile gallop from his home acres.

"They got a damnfool well out there at Spindletop Hill, spoutin' oil insteda water," he proclaimed bitterly. "The dang stuff is ruinin' my land."

Certain elements in the town were to share Ingalls' outrage (though for different reasons) but none was on hand at the time. Ingalls' audience, not waiting for details, lit out for Spindletop, shouting the news along the way.

In a few minutes the town was in their wake. Storekeepers closed shop and the district court was recessed in the middle of a trial. The citizenry turned out — on horseback, in buggies, wagons and on foot — to see what remains to this day the most celebrated oil well in history.

FOR the oil industry as we know it today really began when old Spindletop No. 1 roared in that morning 50 years ago, spewing a geyser of crude petroleum more than 200 feet skyward. Though not the first producing well in the world, the nation, or even in Texas, Spindletop gave the first definite indication oil lay in vast pools beneath the earth. The first producer sunk near Titusville, Pennsylvania in 1859, had yielded only about 25 barrels a day, and subsequent wells in Ohio, West Virginia, California, Oklahoma and Texas had done little better.

These discoveries, however, had hacked down the price until it was practicable for use as lighting fuel. Samuel Kier's refining process made kerosene available to all and much cheaper than whale oil, consumption of which had virtually exterminated the sea-going mammals that yielded it. When further refined, petroleum would run the newfangled internal combustion contraption that was to put millions of automobiles on streets and highways.

Oil was down to three cents a barrel but still profitable to produce when Captain Anthony Lucas came to Beaumont, lured there by the drilling activities of two Beaumonters, George W. Carroll and Patillo Higgins. Interest in oil development in the area had been sporadic since 1877, when a strange citizen who called himself Dr. B. T. Cavanaugh appeared with a device

he claimed could "devine" oil beneath the earth's crust.

Cavanaugh did much mysterious poking about with his diviner and considerable talking about boring for oil, which he predicted lay in great quantities beneath Spindletop Hill. He eventually vanished from the town, but Carroll and other townfolk had become intrigued. A company was formed and two wells put down. Both were dry holes, but Lucas, an Austrian-born geologist and mining engineer, was convinced that where salt domes were, oil was underneath.

Using mainly his own funds, Lucas sank another dry hole, but he still believed his theories would hold up. Given short shrift by local moneyed men, he took off for the east to seek capital.

The Standard Oil Company, already the industry leader, was profoundly disinterested. So was the U. S. Geological Survey, one of whose experts told Lucas to forget about salt domes and resume engineering.

Lucas finally raised some backing from Pittsburgh oil men, among them James H. Guffey and Andrew Mellon. A second hole was drilled, in the face of every setback that could plague a driller. The Guffey-Mellon money had run out and Lucas and his wife were burning furniture to heat their rented home when the well came in at 1,020 feet of depth, with such force it blew off the derrick's crown block.

The well ran wild for ten full days before it was brought under control. More than a million barrels of oil went to waste, for Lucas expected no more production than 50 barrels a day and had built no storage tanks. Despite precautions, the oil pool caught fire and burned before a single barrel was marketed.

The well itself soon petered out, its source apparently having been a deposit isolated from the main pool. But there was oil, and plenty of it. Within a year there were 138 producing wells in a 400-acre area.

The effect on Beaumont was cataclysmic. Overnight, the quiet little lumber and cattle town was swamped with fortune seekers. Major companies, which had hooted the notion that oil lay beneath the Texas tidelands, recanted quickly and dispatched representatives to the scene. Special trains were run from points as far distant as New York and San Francisco, loaded with would-be-oil magnates.

Neck and neck with legitimate investments and job seekers came the riffraff, boom followers since the memory of man runneth, confidence men, gamblers, shoestring promoters, fancy females and assorted criminals—all pursuing a fast dollar and the main chance. Vice took down the shutters and the numerical advantage of churches over saloons and gambling joints was speedily eradicated.

The population swelled from a somnolent 9,000 to a frantic 50,000

in a few months. The oil strike brought them there but what drove them crazy was the quest for land—land to be bought or leased and turned over at a fat profit to people who actually were drilling for oil. There ensued one of the wildest periods of land speculation (or gambling, as one observer termed it) since the Mississippi Bubble. Thousands of acres changed hands daily. Respectable business men of the town, who had wanted no part of the drilling venture, caught the fever and played the game as crazily as the others.

Prices for food and lodging were fantastic, but so were wages. A lunch counter meal cost as much as five dollars. Hotels and rooming houses set up rows of cots in lobbies and halls and charged whatever the weary would hold still for. Still, a man could earn enough working for a day in the by now burgeoning oil field to live for three.

A FEW local people resisted briefly. They were followers of a group of ministers who held that “the earth is the Lord’s and the fullness thereof,” that man had no business tampering with its innards. It was prophesied that “the land will cave in from the oil being taken from the bowels of the earth.” When this dread event failed to take place, the clergymen’s followers deserted to Mammon.

Gradually, however, came a return to sanity. The speculators,

their fingers burned and their withers wrung, went their way. Men who knew something about the business formed the companies that have developed the giant industry oil has since become. The Gulf, Texas, Humble and Houston companies, among others, were organized as a result of Anthony Lucas' gusher at Spindletop.

The orgy of speculation over and the boomers gone, Beaumonters relaxed and began building the city of to-day. Most of its 93,000 present population is still concerned mainly with oil. The area, which includes Port Arthur, claims with some justification to be the nation's refining center.

Moreover, after half a century, the Spindletop field is still producing. More than 2,500 wells have been drilled within a few miles of Old Number One, and total production recently was estimated at 140 million barrels. This includes output from a second field, discovered in 1925 at 2,600 feet. Even now, drillers are pushing farther down.

Many millionaires were made as a result of the Lucas Gusher, but the

man who battled against such great odds to drill it was not among them. In order to raise money to complete the well, Lucas had to sign away most of his right to the wealth he unearthed.

His job done, Captain Lucas returned to Washington, D. C., where until his death in 1921 he belatedly followed the advice of the geologist who had told him to stick to mining engineering.

If Lucas felt any bitterness, he is not known to have expressed it. He apparently was satisfied to have vindicated his conviction that he would strike oil at Spindletop.

He might have liked the inscription on the monument erected on the site of Spindletop Number One 20 years after his death. It reads in part:

"Petroleum has revolutionized industry and transportation. It has created untold wealth, built cities, furnished employment for hundreds of thousands and contributed billions of dollars in taxes to support institutions of government. In a brief span of years, it has altered man's way of life throughout the world."



Quickie — A newly established freshwater college, trying to achieve that ivy-covered look without running up a big bill for Vigoro, posted a notice on its bulletin board one morning, according to Curt Massey of CBS Radio's "Curt Massey Show." It read: "It is traditional at this college for all freshmen to remove their hats and go bareheaded when crossing the quadrangle. This tradition goes into effect Monday morning."

Bankers' Blueprint **for RUIN**

by Paul Stevens

COMMUNISM uses many dark agents to ruin a nation marked for conquest. The most incredible of these agents are the unprincipled businessmen and international-minded bankers who, for devious purposes of their own, are willing to aid the Communists and act as their "fronts."

Such deviates are admittedly a small minority of a nation's business community — the great majority of businessmen and many bankers unquestioningly place our nation before profits in an emergency. But it is the exceptional knaves whom Communism uses.

Not that such business no-man's-land operators are conscious Communists. Men who make accommodations with subversives have a convenient habit of rationalizing their conduct with the pretense that they are only "using" the Communists. But in virtually every instance, it transpires in the end that Communism has "used" them. When the commissars are through with these inglorious agents, the business renegade is usually ready for the scrap heap or the firing squad.

In the United States, during the war-time love feast with Communism, a large enough number of American businessmen were willing to bundle with the Communists to provide a membership for a national pro-Communist business association.

But the most spectacular instance of a nation which was prepared for Communism from within by disloyal businessmen and bankers was Tsarist Russia. The story of the role of the European money powers and the business sharpers in the delivery of Russia to the Bolsheviks has never been adequately told. It stands as a nightmarish example to the unwary.

The softening up of Tsarist Russia was preceded by an underhanded struggle of Western European bankers to fasten their talons upon the Russian economy. Whatever the faults of the Tsarist regime, it must be said to its credit that it firmly repulsed the Amsterdam-Frankfort-Paris-London-Vienna ring of international bankers and family dynasts. It was this check which monarchist Russia administered to the Roth-