

## Oil and a New Century

### Lesson 1: The Age of Oil

#### ESSENTIAL QUESTIONS

**Why do people make economic choices? How do new ideas change the way people live?**

#### Terms to Know

**refinery** a building equipped to refine or process products such as oil, metals, or sugar

**previous** earlier

**estimate** to provide a guess for an unknown quantity

**boomtown** a town that experiences sudden growth in population and business

**derrick** a framework or tower that supports a drill over a deep hole

**scrip** nongovernment currency that could be spent only at a company store

**Federal Reserve Bank** one of 12 district banks of the Federal Reserve, the central bank of the United States that manages the nation's money supply and banking system

**white collar** generally, jobs not requiring physical labor

#### Where in the world?



# Oil and a New Century

## Lesson 1: The Age of Oil, *continued*

 **Defining**

1. What is a *refinery*?

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**Marking the Text**

2. Highlight the information about the oil discovery at Spindletop.



**Making Connections**

3. How did Howard Hughes, Sr., contribute to the oil boom?

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**Reading Progress Check**

4. When and where in Texas did the state's oil boom begin?

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### Texas Gold

**Guiding Question** *How did the discovery of oil change Texas?*

Texas is the nation's leading oil-producing state. But it was not always the industry leader. Edwin Drake drilled the first successful oil well in Pennsylvania in 1859. In the 1890s, Pennsylvania and Ohio produced the most oil. By the late 1800s, most oil was made into a product called kerosene that was burned to provide light. Demand for kerosene spurred the further search for oil.

In 1866 Lyne T. Barret drilled the first oil well in Texas at Oil Springs. By 1890, Oil Springs had 40 wells and a pipeline to Nacogdoches. Four years later, a much bigger find occurred near Corsicana, in Navarro County. By 1900, the Corsicana field had about 290 wells. Joseph S. Cullinan came from Pennsylvania and built a **refinery**, or plant to process the oil. The Corsicana find launched "the Age of Oil." This era lasted from 1894 to 1935.

A hill near Beaumont called Spindletop soon produced even more oil than what was found at Corsicana. **Previous** attempts to drill at Spindletop had failed. Then a new type of drill bit was tried. In January 1901, the drill reached 1,139 feet (347 m) deep. The drilling pipe suddenly shot into the air, followed by mud, gas, and oil. It is **estimated** that 100,000 barrels of oil spouted out before the well was capped. More wells quickly followed. By 1902, the hill had produced almost 18 million barrels of oil.

Spindletop's success encouraged more oil drilling in southeastern Texas. Investors formed new oil companies. Later some became Texaco, Gulf, and Exxon. Important oil discoveries were made at Sour Lake in 1902, Batson in 1903, Humble in 1905, and Goose Creek in 1908. In North Texas, oil was discovered at Electra, Burkburnett, Ranger, Desdemona, and Breckenridge. The oil boom led to the growth of other businesses. Supply companies and refineries opened in Wichita Falls and Fort Worth.

Oilman Howard Hughes, Sr., moved to Texas after the Spindletop find. He and a partner tried to find oil but could not drill through the hard rock. To solve this problem, Hughes invented a new rotary drill bit. It could break up rock to drill deeper. Soon his drill bit was widely used.

Towns near oil fields became **boomtowns**. The population of Beaumont jumped from 10,000 to 50,000. Breckenridge's population swelled from 800 to about 30,000. Boomtowns were often dirty, lawless, crowded, and unhealthy. The governor had to send Texas Rangers to some boomtowns to keep order.

## Oil and a New Century

### Lesson 1: The Age of Oil, *continued*

#### The Lumber Industry Booms

**Guiding Question** *What was life like for Texans who worked in the lumber industry?*

The oil boom created a demand for products for the oil industry. One product was lumber. The **derricks**—towers that hold the drilling equipment—were made of wood. Wood was also needed for new homes and stores. As a result, the lumber industry expanded in the early 1900s.

The life of a lumber worker was not easy. It involved long hours, low pay, and many accidents. To protect lumber workers and others in dangerous jobs, in 1913 the Texas legislature created a system to pay for job-related injuries. Today this is called workers' compensation.

Workers often rented their homes from the company. Most worked 10- or 11-hour days for only about \$1.50 to \$2.50 a day. The companies often paid their workers in **scrip**. This form of currency could be spent only at company-owned stores. Such practices kept workers under the company's control.

Big lumber operations had a negative effect. Millions of acres of land were deforested.

#### Texas Cities Grow

**Guiding Question** *How did the growth of Texas industries help Texas cities to grow?*

Between 1900 and 1920, the number of Texans living in places with populations over 2,500 tripled. Houston reaped the most benefit from oil discoveries near the coast. As oil fields grew around it, Houston became the center of the oil business. The city was ready for this role. By 1900 it had a good rail network. Also, Houston could provide the transportation, banking, insurance, and legal services that oil companies needed.

The completion of the Houston Ship Channel in 1914 made the city an important seaport. Since the days of the Republic of Texas, small vessels had navigated Buffalo Bayou to Houston. However, the bayou was not deep enough for large ships. Houston and the U.S. government paid for the new channel. Oil companies then built refineries along the channel. The channel allowed products to be shipped from the refineries to other ports in the United States and around the world.

By 1900, Dallas was a major city. Manufactured goods from the North were shipped by rail to Dallas. Cotton was shipped out. Because of its excellent rail connections, companies from the North and East often chose Dallas as the location for branch offices.

#### Defining

5. What is *scrip*?

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#### Reading Progress Check

6. How did the oil boom affect the lumber industry?

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#### Marking the Text

7. Highlight the text that explains why Houston became the center of the oil business.

#### Making Connections

8. Why was it necessary to build the Houston Ship Channel?

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#### Identifying Cause and Effect

9. Why did companies open branch offices in Dallas?

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## Oil and a New Century

### Lesson 1: The Age of Oil, *continued*



#### Marking the Text

10. Highlight the art and cultural features of Dallas.



#### Reading Progress Check

11. What event was very important in Houston's growth as a shipping center?

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The department store Neiman Marcus opened in Dallas in 1907. Dallas also became a center for banking, insurance, and legal services. In 1913 the U.S. government established a **Federal Reserve Bank** in the city. Dallas had become a major banking center.

These changes helped make Dallas a **white-collar** city, in which many of the jobs did not require physical labor. Dallas's workforce included many lawyers, bankers, accountants, and business executives. Its community leaders supported the arts and cultural activities. Dallas became known for its symphony orchestra, the Dallas Museum of Art, bookstores, and other cultural attractions.

The city's future was assured when Henry Ford opened an auto plant in Dallas in 1914. By 1920, Dallas had become Texas's largest city, just ahead of Houston.

New industries brought in workers and helped other Texas cities grow. In 1903 Swift and Armour each opened meatpacking plants in Fort Worth. This boosted that city's population. Oil refining and shipping swelled Port Arthur's population from 900 in 1900 to more than 22,000 by 1920. The mining and refining of copper, lead, gold, and silver helped El Paso's population grow from 15,000 in 1900 to more than 77,000 in 1920.

With no major industries, Austin grew more slowly. So did Galveston, which was hit by a major hurricane in 1900. A hurricane in 1919 destroyed the business district of Corpus Christi and slowed that city's growth as well.

## Writing

### Check for Understanding

1. **Expository** What happened to towns near new oil fields?

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2. **Expository** Why did Austin, Galveston, and Corpus Christi lag in population in the early 1900s?

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