

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Gordon Mackay [McKay?]

INTERVIEWER: Nadine Mackenzie

NM: This is Nadine Mackenzie speaking. I am interviewing Mr. Gordon Mackay. Mr. Mackay, thank you for having accepted to participate in our project, can you tell me, when and where were you born?

GM: I was born in Calgary, on May 14th, 1905. The house where I was born is still standing, it's the old stone house at Point Mackay and that area got its name from my father.

NM: Oh, I see.

GM: It's now been declared a historical landmark and they have restored it. It might be better to say, they've recycled it, it's not like it was but they have made it so it's quite a presentable place now.

NM: That's very interesting. What did your parents do?

GM: My father was a rancher. He came out here with the original survey for the Canadian Pacific Railway in 1880 and he left the survey party when they got to the summit and he came back to Calgary. He did various things here, he at one time owned the ferry that used to transport people across the Bow River where the Langevin Bridge is now. Then he settled out there where Point Mackay is now and made that his home.

NM: Was your mother from Calgary too?

GM: No, my mother was from England but she died before I was 3 years old so I don't have any recollection of her.

NM: Where did you go to school?

GM: I first went to school at the Hillhurst Public School, then I went to Crescent Heights High School. That's where William Aberhart was one of my teachers, and the Principal of the school at that time. But I didn't go to university.

NM: What did you do after high school?

GM: After high school, my first employment was with the Calgary Stock Exchange, in 1926. At that time, Howard Riley, who was the father of the former judge who is now deceased, he was the head of the Stock Exchange, the Secretary Manager. I worked there until 1928. And then I went to work with a firm who were brokers, they were the biggest brokers in Canada at that time, Solloway, Mills and Company, you may have heard of them.

#036 NM: So you were trained on the job?

GM: Oh yes. I bought a seat on the Calgary Stock Exchange while I was working there and at that time each firm was only allowed to have one trader for each seat which they owned. And Solloway, Mills only had one seat and they couldn't do enough business with one trader so I made a deal to go with them and be their trader on the Calgary Stock Exchange and used my own seat, only it was in their name.

NM: How was the Calgary Stock Exchange at the time?

GM: It was very busy.

NM: And where were the offices?

GM: The offices were in the . . . the regional offices, when I worked with them, were in the Loughheed Building, in the basement of the Loughheed Building, which was the old Plaza, they called it the Plaza Dance Hall. They used it, then they moved from there to the Clarence Block, which is on 8th Ave. After the Clarence Block, I think it was in the Elks Building, which was over on 7th Ave., just west of Centre St. And they were there for many years. Now they've since that time got new quarters and I'm no longer a member so I have no connection with them at all.

NM: So were there a lot of people investing in stocks at the time?

GM: Oh yes. Oil stocks. And then you see, 1929 was when this firm of Solloway, Mills, they were charged by the government with illegal practices. But I can't go into those because I had nothing to do with that. And eventually both Solloway and Mills did serve a jail sentence. Not long, Solloway, I think, served 6 months, and Mills got 1 month. But they had pretty heavy fines for those days. After I left Solloway, Mills, well, they closed up really, I went with Francis Reeve, who was also a broker, called it F. F. Reeve and Co. I stayed with him from then on, until he died. I started to work for him in 1931 and in 1938 he got control of the old Commonwealth Petroleum Co. I at that time, became a Director and Secretary Treasurer of that company. Then in December of 1939, I think it was, we formed the Commonwealth Drilling Company, which was then a subsidiary of Commonwealth Petroleum. And we started out with one rig and when we sold out the business in 1959 we had 29 rigs and were the biggest contractors in Canada at that time, the largest. And since that time, that was when John Scrimager and Bill Atkinson were involved with the deal and they bought out the Reeve estate, and my interest, which was comparatively small compared to the Reeve's. But I did work in the management of the companies for many years. And I really retired from them in . . . let's see, what date was that. . . about 1969 I think. You know, I became Chairman of the Board for a year or so but I have no longer any connection with them, except they're kind enough to give me an office, which you can see. A pretty nice office too.

#089 NM: Can you tell me about the oil situation in Alberta when you started working here?

GM: As you know the Royalite 4 well came in, I think, in 1924. It was out of control for many months in Turner Valley and you could see the blaze, not the blaze but the reflection in the sky right from Calgary. There wasn't too much activity. There was quite a little boom in the oil stocks and there was considerable drilling going on for the gas, naphtha they called it at that time. But they didn't hit the crude oil until Brown, Moyer and Brown, I think that was in 1937 when they discovered the crude oil in Turner Valley. Then of course, it boomed for quite awhile. Then it became very quiet until Leduc was discovered in 1947.

NM: And then everything started again.

GM: Everything started again. And we at that time only had 5 rigs I think it was, 5 drilling rigs. We were the second contract drilling rig to go into Leduc for Imperial and the last one that worked in Leduc for Imperial while they were real active. They may have drilled some more edge wells since but we were in there for a long time for Imperial. At one time we had as many as 5 rigs working in Leduc for Imperial.

NM: Where did you get these rigs from?
GM: We bought them. We bought them from. . they were National Oil Well Rigs. They were all bought new but of course, they were much cheaper in those days than they are now.
NM: Tell me, the people playing on the stock markets, were they mostly Albertans or were they from all over Canada.
GM: All over Canada. There was a time in 1929 when the Calgary Stock Exchange was doing more business than the Toronto Stock Exchange, in the number of shares being traded. It wasn't a long time but it was for a short period. So there were a lot of people in Toronto, Vancouver, Montreal that were involved in the oil stock business.
NM: And how were the offices operating, by phone?
GM: By phone and telegraph at that time.
NM: And how did you get hold of information, for example, like Leduc?
GM: That was by phone. Pretty well, yes. Reports from the drill rigs came by phone.
NM: Did you have contacts also with the oil companies themselves?
GM: Well, we just had phone contacts with them is all, yes.
NM: When did you retire from the. . .
GM: Well, I just told you that, it was. . .
NM: '69 or '68?
GM: Yes around that.

#128 NM: And then what did you do?

GM: What did I do? Well, I had an insurance business that I ran and I operated that until 1971 and then I sold that also, to the Westburn Group, which is now Westburn Agencies. I have a ranch south of Longview and I spent quite a bit of time out there at that time. But now, I don't operate it. I still own it but I have it rented out now.
NM: But you are still keeping busy? Here we are in this office.
GM: I just look after my personal affairs and that doesn't take very long. But I come in and drink the coffee and read the newspapers.
NM: Are you planning to retire one day?
GM: I'm retired now.
NM: Fully retire.
GM: Oh you mean, do nothing. I don't think so.
NM: Can we talk about the ups and downs of the oil business?
GM: The oil business has had a lot of ups and downs. Especially, that really affects the drilling business because you always seem to have too many or too few drilling rigs. Once there's one more than is required, there is a surplus. And that's when prices go down and too much competition. But a lot has to do with the economic conditions, in Canada and the world, not just locally. If things are good generally the activity in the oil business is pretty good too. But there's been of course, a lot of talk about the energy policy but I'm really not qualified to comment on that because I'm not active in the business anymore.
NM: How do you foresee the future of the oil business here in Calgary?
GM: I'm really not in a position to forecast that either. I always have been optimistic about it and I think possibly it will be good but maybe not as good as it has been in the past.
NM: What do you think of nationalized companies, for example, one like Petro Canada?
GM: I think that there is a place for a national oil company but I think they should be

competitive with the other companies, I don't think they should have any built in advantages. But other than that I have no comment on them.

NM: Who were the most influential persons in your career?

GM: Well, in my early life my father was the most influential. Later in life I would say Francis Reeve was the most influential person.

NM: Why?

GM: Because I was in contact with him all the time, worked for him and with him for many years. Well over 25 years I was with him, in the office every day with him.

NM: With these two persons?

GM: No, with Francis Reeve. But he died in 1956.

NM: What do you consider your achievements?

GM: I've had a happy life, I've worked hard and I've been lucky. And unless you're lucky I don't think it matters how hard you work, you're not going to get too far.

NM: Looking back at your career, is there anything you would do differently nowadays?

GM: I think I would have gone to university?

NM: What would you have studied?

GM: Maybe either geology or engineering.

#186 NM: Looking back at your career, Mr. Mackay, what do you think of it?

GM: I don't think I could have changed it much or I don't think I'd want to change it too much.

NM: What do you think of the stock market nowadays, ??? change?

GM: There is very little change in the way business is done now than the way it was when I was in the business. There's a lot more trading going on than there were in those days but it's conducted pretty much the same way.

NM: I have forgotten to ask you, why did you go into the stock market, how come, was it your first job or. . ?

GM; It was my first job yes, that's the way I got into it.

NM: And who gave it to you?

GM: Howard Riley.

NM: Was it something you always wanted to do when you were young or was it something you just got into?

GM: No, I was looking for a job so I took that job when it was available.

NM: And you stayed with it.

GM: And I stayed with it for a couple of years anyway and then I went into the brokerage business yes. But I got my connections through the stock exchange, into the brokers.

NM: Right. So that was very important.

GM: Oh yes. I would have never known Francis Reeve if I hadn't worked at the Calgary Stock Exchange. Because that's where I got to know him. You can put those in if you want to. In the early days they used to trade on margin a lot and margins at that time were as low as 10%. You put up the 10% and if the stock went up you made the profit. Of course, you paid interest on the balance of the money that was owing but now, I'm sure there's still margin accounts but I think they're around 50% you have to put up now to trade on margin.

NM: At the beginning of the oil boom some people were very lucky and made a lot of money

and some others lost everything. Why is that, was it because they were not . . .

GM: That was just a case of some people were lucky and some weren't. And some people had better judgement, picked the right stocks.

NM: What about the promoters?

GM: I can't comment on the promoters, I never had anything to do with them.

NM: Mr. Mackay, what is your opinion on the oil business?

GM: It is a very good business and I'm glad that I was associated with it.

NM: So would you recommend for people to go into it nowadays?

GM: Recommend it, yes, I certainly would. If they can get into certainly. It's very exciting.

NM: Thank you very much for this interview.

GM: Thank you.