

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Eddy Laborde

INTERVIEWER: Nadine Mackenzie

DATE: November 1984

NM: This is Nadine Mackenzie speaking, I'm interviewing Mr. Edward Henry Laborde. Mr. Laborde, thank you for having accepted to participate in our project. Can you tell me first, where is your name coming from?

EL: My name coming from, well, my Laborde family was a very small Laborde family. Laborde is an extremely common name in France and it's also common in Spain, known as Laborda. But my Laborde family, in Louisiana, was a very small family that originated in the Alsace-Lorraine area. I would probably be about 4th generation Laborde in North America but my Laborde family, having been in Alsace-Lorraine, where one generation was French and one generation was German, were all more Germanic than French. There were German ???, with names like Otto Laborde and Wilhelm Laborde, whereas Louisiana has many, many Laborde's, they're mostly French origin and Catholic. So there is that difference, despite the name being that common.

NM: When and where were you born?

EL: I was born in a little town called Chaneyville, Louisiana, on October 17th, 1913. Chaneyville was in the middle of the state of Louisiana. My father worked for the railroad company and my mother lived on a plantation in Louisiana and she was of Scotch-Irish descent, her name was Heather Wick. They met and were married and I was born there on the plantation in 1913 and then we moved to New Orleans and lived in New Orleans until my father died on my birthday, October 17th, 1918. So he died when I was 5 years old. Then my mother's family lived in north Louisiana, her brothers had left the plantation and moved to the north, Shreveport, Louisiana. So we moved up there and I was raised in Shreveport, Louisiana, which is in the northern part of the state and very much at that time, an oil centre. Shreveport was just about the same size as Houston and Dallas and the big oil discoveries of that part of the world were made close to Shreveport, in Arkansas and in east Texas. I think east Texas, until Prudhoe Bay, was probably the largest oil field on the North American continent was discovered in 1931. I was just graduating from high school in 1931 and so I was sort of raised in the oil business, in that part of Louisiana, which is called the land of Arklatex, which is Arkansas, Louisiana and Texas. Shreveport was a headquarter town at that time but through the political interference of the then famous Hughie Long, who was the governor, later United States senator from Louisiana, plus the attitude of the planters in that part of the world, they were not very hospitable to the industry and thus it began to move out and moved into Texas, into Dallas and to Houston, because really east Texas being as large as it was, all oil fields are naturally attracted to the largest city nearby and Shreveport was closer to east Texas than was Dallas, Texas.

#043 NM: So did you go to university?

EL: I went to the Louisiana State University in Baton Rouge and was down there for five years.

NM: And what did you study there?

EL: Well, I ended up in law school but I didn't finish law school. I had a sort of altercation with the Dean over my having bought the university's first live mascot, a Bengal tiger. The day the tiger arrived on the campus the student body went wild and went on strike and in the excitement of the whole thing they inadvertently turned over the Dean of the law school's car. And it didn't have seat belts in those years and so the Dean had quite a headache after that episode. He and I weren't very friendly after that so he suggested that I should go to another university or another school so I, having attended most of the colleges on the campus, I decided the best thing for me to do at that time was quit. So that's what I did do.

NM: Was that the end of your career in the law?

EL: That's correct. But I took mostly commerce and arts and science courses prior to my entrance into law school. So that was the end of my career, I was trying to go on to Columbia University in New York and had been accepted in law school there but I got mixed up with a group of friends and got caught by one of the biggest floods that they had in that part of the world at that time and I was driving to New York and I was stranded and marooned. So I got a telegram from a friend of mine in Shreveport suggesting that I come home and go to work, that he'd give me a job, because he thought I had enough education. So I took advantage of the offer and did so.

NM: Then what did you do?

EL: I worked, this invitation was from Johns Manville Company and I went to work in the building material business in Shreveport, where I worked for the Bollinger??? Lumber Company with a very dear friend by the name of Harry Balcom. I worked there quite successfully and then met, on a blind date one night, a young girl who was visiting friends, from Toronto. We became engaged and were married later and it was through my meeting her that I was first attracted to Canada because her parents lived in Toronto.

NM: So she's Canadian?

EL: Well, as a matter of fact, there's an interesting thing, she was a U.S. citizen although she had been born Shubenacadie, Nova Scotia, she was a U.S. citizen by virtue of the fact that her father, who originated in Wales, had gone to the United States at one period in his career and had lived in Denver and while he was there, under the then laws of the United States, she had the right to declare what she was going to be, so she elected to become a U.S. citizen. She died in 1961, still holding on to her U.S. citizenship and I had become a Canadian, so it was an interesting switch in citizenships.

NM: While you were at university did you have any summer jobs?

EL: Not really. I had a lot of jobs around on the campus doing things. I set, even into what looked like an entrepreneurial career at a very early age. I always had a job when I was a kid, doing something, I was finding various ways to make money because my mother was working of course, being widowed at such an early part of her married life. Then she later remarried, when I was 12 years old. I did all sorts of things but most of the things I did

were more of a self-starting nature.

#087 NM: So you were really an entrepreneur.

EL: Yes, I think I started very early, even on campus, even the acquisition of the LSU first live tiger was an entrepreneurial effort, which I made enough money out of to, in subscription fees to get the student body to pay for the tiger that enabled me to have quite a lot of free money. In the 1930's you know, a lot of money was \$50. So there were things like that, and promotion of orchestras and dances and that type of thing, representing laundries to get my clothing cleaned and representing a barber shop to get my haircut and shave and those things. So whether I was an entrepreneur or a good scrounger but it was a combination of the two that saw me through those early years.

NM: Then you went to work and then you got married?

EL: Yes.

NM: Which year was this?

EL: I was married in 1939, I think that's when it was.

NM: And for how long did you keep this first post?

EL: My first job, until about a year after I was married. I had been very successful in working for the Bollinger Lumber Company. I'd persuaded the then manager to put me on a commission rather than a salary and that year was the advent of the FHA in the United States, the Federal Housing Act, which was a real boon to the housing industry. I became involved with a lending institution in Bunkie, Louisiana, which is right down in the central part of the state, and was able to broker loans for them. As a loan broker, in those years the housing was usually handled by a contractor, small contractor, really a good carpenter, who would go out and sketch a design of a house on the back of a paper bag and convince the owner that that's what they needed. So I would make a deal to get the money for the contractor to build a house with the proviso that he would buy the materials from me. So I was making a commission on the loans and making a commission on the building materials and it was unbelievable. I think in the first year I brokered something like \$1.5 million worth of loans. So I made enough money to go in the oil business in one year. My father-in-law, who had quite an illustrious career in the oil industry in Canada, was named Basil Owen Jones, B. O. Jones as he was known. B. O. Jones had been in the oil business and in the mining business, he was a real promoter and real entrepreneur. When he was living in Denver he was there as a stockbroker, had his own brokerage firm and became interested in returning to Canada. Someone had brought him the idea, the possibility of getting oil out of the sands up at Fort McMurray. So he formed the first tar sand company, which was known as Abisand??? Oils Ltd. Abisand was the first attempt to extract oil from the Athabasca tarsands. He had a very good friend in Denver at that time who was the Chief Geologist at Roxana Oil Company and Roxana was the forerunner of Shell in North America. Max Ball, Max W. Ball was a very prominent and famous geologist and wrote a book that probably had more reprints than any other book in the industry, it was called, This Fascinating Oil Business by Max W. Ball. So B. O. Jones got Max Ball to come up to become the first President of Abisand. Max was in Edmonton and they had quite an illustrious Board on Abisand, to include Sir

Edward Beatty, who was on the Board of Canadian Pacific Railway. And their first attempts at extracting oil were of course, quite primitive. They used horses and [scoop fresnos??] to gather the sand and then they simply put it in boiling water and the oil floated off the boiling water. They sent samples of the sand down to Bay Street in Toronto, that's where Jones moved to because he was a financial man and not a technical person. So Max would be getting the sand out of the ground at Fort McMurray and they'd ship it down to Toronto and they had an office, first floor office with plate glass windows on Bay Street and white robed attendants were putting this sand in boiling water and the oil was coming off and they were selling stock. That was the beginning of the first operation at Fort McMurray. The plant later burned down, they rebuilt it and then, by that time the war started in 1939 and the Canadian government, and the Alberta government took over the operation for war time reasons and Max Ball left Canada and went to Washington, D. C., where he became the oil controller of the United States, under Harold Ickies??, who was Franklin Roosevelt's Secretary of the Interior. Max stayed on as the oil controller during the entire war period and then became very famous with his consulting firm of Max W. Ball and Associates. But B. O. Jones, who had put all these things together and had the idea of course, lost about his third fortune, a fortune then was around a million dollars. But he'd been very successful, and so it was his daughter who came down to Shreveport, Louisiana and I met her and as I say, we were married. But first I had to go and meet B. O. Jones and Mrs. Jones. We met in St. Louis, which was equal distance from Toronto and Shreveport and while we were talking, meeting each other was a weekend affair, B. O. had an old friend come in to see him by the name of Lewis Lilly. Lou Lilly had some seismic maps of a play that he was interested in, in Centralia, Illinois. I sat there and listened to all of this while these two men talked. I of course, as I say, knew something about the oil industry being raised in Shreveport, right in the middle of it, and was quite interested in what this man, Lou Lilly was talking about. So about a year or so later, when the Jones' were down in Shreveport visiting us over Christmas, I asked Jones what had ever happened to Lou Lilly. He said, nothing, so far as he knew, I said, did anything ever happen to that deal, he said, not to my knowledge. I said, why don't you and I go into it. So to shorten that story we did, so the three of us put together a partnership in Centralia, Illinois and drilled the discovery well in the Centralia town site.

NM: So it was because of your father-in-law's influence that you went into the oil business?

EL: That's right. I had been introduced to this opportunity by sitting there listening to it being presented to him. He had, in fact, turned it down. It was through my suggestion to him that we explore it, so he got in touch with Lou Lilly.

NM: So did you go into partnership?

EL: We did. We formed a three way partnership with Lilly, Jones and Laborde. I still stayed on working because I was making money in the brokerage business and the building material business in Shreveport. So they drilled a well up in Centralia and I got telephonic reports on the progress of it. What we actually did was bought an old oil well, Centralia was an oil producing town but it was producing from a shallow sand, known as the Benoist sand. We bought this oil well, it was called ??? #4 and we deepened it from the

Devonian. Oil was being discovered in the Illinois basin in the Devonian formation, so we deepened it and had a big successful oil well. Our location, our big land play was one city lot and in 30 days there were 21 drilling rigs on that one city block. Our biggest lease in Centralia was 4.7 acres and we drilled 17 wells on 4.7 acres. So that would give you an idea. So we made a lot of money and I left the building material business and moved to Centralia. We had an office there in Centralia and great hang outs there, I remember the Langenfeld??? Hotel and the Pittinger??? Hotel. Of course there were a lot of fellows that I later met over the years that got started in there. As a matter of fact, Zach Brinkerhoff was there, working there in that period and quite a few others that I've met around my age groups who were in Centralia at that time. So then our big claim to fame lasted about a year and with all the offsetting wells, everybody had a straw in the same glass of oil and it was sucked dry really quickly.

#207 NM: What was your main role in this partnership?

EL: I was looking after the money mostly and banking the proceeds, the income and paying the bills. Lou Lilly was the oil man he knew something about it, Jones, as I said earlier was never a technical man. He knew a great deal about the oil business, he was probably the most educated layman in the technicalities of the oil industry. But I didn't know anything about it of course, specifically. I knew about it in generalities but I didn't know anything specific about it.

NM: So the three of you together.

EL: The three of us made a pretty good team but it didn't last that long and we eventually put the wells on pump, which was the worst thing we could have ever done and we incurred a lot of debt. Of course, we had to put the wells up as collateral and we ended up losing all the wells to the oil well supply company, by the time we got through.

NM: Where did you get the equipment from, the equipment for the wells?

EL: You mean the drilling equipment, the drilling rigs? Oh, there were an awful lot of drilling contractors around in that country at that time. They were very easy to come by. We were using wooden derricks and we would use sputters, old cable tools to start the well and then use a rotary. You could drill a well in almost, 24-30 hours there because they were only about 3,600' deep and the locations were very close together. You could just almost keep one leg of the derrick still and rotate the other three or just slide it over with a winch. And it was easy to use these jackknife sputters because they were easy to move. The first real beginning of mobility as we know it today. That was an interesting and lively period. I remember sitting out in front of the Langenfeld Hotel on Sept. 1st, 1939, when Hitler invaded Poland, listening to it on the car radio. So things began to get very different about that time. I moved over to St. Louis because Centralia was a pretty bad place to live in, so we moved over to Centralia and lived there until we went broke.

NM: So what happened to the partnership then?

EL: It broke up. We broke it up and we just went in different directions. But Jones and I remained as partners and we remained as partners for many years to follow. But he left and came back to Canada. He had fallen on hard times and I went back down south and went to work for Johns Manville Company and I moved into Arkansas and I lived in

Little Rock, Arkansas. Then Jones moved out to Vancouver and stayed in Vancouver, then he moved to Calgary and he lived here in Calgary, I'd say, 1941, '42, and '43. Mrs. Jones came down to Arkansas and lived with us for about 6 or 7 months because he was moving around trying to find something to do and things were pretty tough financially for him. Of course, I was gainfully employed and again, doing very well, working for Johns Manville Company, again as a salesman, a district representative and had the usual good fortune of being right in the middle of an area that a lot of war plants were being built. The Jacksonville Ordinance Plant and the Pine Bluff Arsenal, those were multi-million dollar building projects and of course, working for Johns Manville Company, one of, if not the leading, manufacturer of building materials and again, working on a commission, I was able to do very well for myself. So Jones was up here and became interested in the prospects of drilling. Of course, everyone at that time was trying to get as close to Turner Valley as possible. He became interested in an area down around Okotoks and the Aldersyde area. We were staying in touch and he finally hooked up with a fellow by the name of Maynard Davies, who was quite a name around Calgary for many years. He had a company called Davies Petroleums, which was quite active in Turner Valley and then later Maynard had a company called Emjay, which were his initials, Maynard J. Davies. He was an Englishman, he had come out here before and was quite a promoter in the Calgary area and was well remembered by a lot of the old timers. We were able to buy a company called Ranchman's Oil Company at that time and there was an old well in Aldersyde known as the Bird Well, Ranchman's Bird. Ranchman's Bird well had been drilling I think, for something like 20 years. It belonged to a group of ranchers down in the southern part of the province and every time they'd get a little money they'd go out there and drill a few feet in that well. They had all sorts of shows of oil and gas on the way down. We ended up buying that well and started drilling down in there, I think in 1942 was when it was. On that particular well I think, at that time, there were 3 geologists in Calgary, independent geologists, one of them was a man named Stan Slipper and there was Joe Irwin and there was J. R. G. Sanderson, better known as Pete Sanderson. I think all 3 of those men were down on that well because it was the great hope of Alberta at that time.

#308 NM: This was in '42?

EL: '42 or '43, I've forgotten when it was. Anyway I came up here in 1943, I came up in October. My prime interest at that time in coming up here was to go shooting because I'd been reading in Field and Stream magazine about what great pheasants shooting there was out in the eastern irrigation district, particularly around Brooks. I remember that gasoline was rationed, everything was rationed and I came up here and Jones and I went over to Brooks and stayed at the Newell Hotel. I got up and went out the morning the pheasant season opened and I killed 3 pheasants between the Newell Hotel and the Canadian Pacific Railway station, right in the middle of town. So I became very much sold on Alberta and the west. We had a well drilling then.

NM: Where were you living?

EL: At that time I was living in Little Rock, Arkansas and I came up here on the train, I think

it was the Rock Island came up through Minneapolis and over on the Great Northern. The Great Northern came over through Porter, North Dakota, through Moose Jaw and into Calgary on the Canadian Pacific.

NM: This is the end of the tape.

Tape 1 Side 2

EL: In any event I came up on the train and went shooting and we had this well drilling down there and it was quite exciting. It turned out of course, to be a dry hole. It wasn't the last attempt that we made in that area because we did drill another well down there, after I came to Canada. After I left here, in 1943, I went back and went in the army, in the United States Army and stayed in the army. I was at Fort Knox, Kentucky, in the armoured school until the war was over.

#009 NM: What did you do there?

EL: I was an instructor in the armoured school at Fort Knox. I was a lousy student but made a pretty good teacher after I got the hang of it.

NM: What did you teach?

EL: Court martial procedure, military law and company level administration. Nothing as exciting as how to drive a tank. As a matter of fact, I was in a company of men, everybody was from Brooklyn, New York. It was quite interesting, I was the only one in the company that knew how to drive a car. It's not unusual for a New Yorker to know nothing about driving a car. But when we took our driving test I was the only one that failed and wasn't approved. It was quite interesting, quite ironic. In any event, I stayed in the army and that was an interesting part of my life. I enjoyed being in the army. It was a relief in a sense, as I was told what time to get up, what to put on, when to eat, what to eat and when to go to bed.

NM: So everything was organized.

EL: Everything was organized. I didn't have to worry about anything, I couldn't worry about my family. I left a wife and daughter in Arkansas, because we'd had a child born in 1941 and as a matter of fact, she and her mother were in the hospital in Little Rock, Arkansas on December 7th and I was out playing golf at the Little Rock, Arkansas country club when the Japanese invaded Pearly Harbour. So I made several unsuccessful attempts to get in the army at that time but I wasn't physically fit, so I was told. But when the draft came they felt me, I was warm, that was the end of that, I was in. Anyway, when the war was over, I got out, I was discharged the Saturday after V-J Day, which would have been in late September I believe, August or September. I came right to Calgary, although I was still employed by Johns Manville Company. We had drilled a well, Jones and I had participated in the drilling of a well while I was at Fort Knox. It was quite interesting, I used to get daily drilling reports on the military base. A lot of the people thought I was getting some kind of code messages or something. These telegrams would come in with the depth of the well and the results of drill stem tests. So that was an interesting experience. Quite a lot of questions were raised about these telegrams I was getting. But

in any event, I came up to Calgary because I had 90 days before I had to report back to Johns Manville. In that 90 day period we drilled a well out in the eastern irrigation district, out near Duchess, Alberta, which turned out to be unfortunately, a gas discovery. Because the worst thing in the world you could do then was to find gas, because it cost you another \$1,000 to abandon the well, because you had to case the surface area to keep the gas from going over into the farmers water well. This I think was some used CPR land, land we'd gotten from California Standard Company. So after that episode. . . Matt Newell was drilling that well, and Matt and I became very good friends. As I say, that would have been in 1945, in the fall. I stayed here until just before Christmas and at that time, clothing was rationed and you couldn't get any clothes unless you had served in the Canadian Army and had so many points to buy a suit or a hat. Of course, having served in the U.S. Army I didn't have any of these points to buy any civilian clothing. So I went around Calgary, I lived at the Palliser Hotel and went around Calgary in my soldier suit. Which was quite acceptable because there were all kind of soldier suits all over the town. Then I made some good friends, one very good friend was a fellow named Swede Hanson, who was in the supply business here. He had a company called Turner Valley Supply Company. Jokingly we used to call it the midnight supply company because I think he had one string of casing and it used to be the story that people would go down and steal it at midnight and then run it in the hole, if it was dry they'd return it. Of course, which was quite stretching the truth. But there was Swede Hanson and then there was this other good dear friend named Bus Lacey, Norman Lacey. Bus was in the mud business, he and Swede Hanson had started a little mud plant down at the end of 8th Ave. and they were bringing in bentonlite??? from down around Turner Valley and converting it into mud for drilling purposes. Bus's daughter incidentally, is Sandra LeBlanc, who's been very prominent in Calgary. In any event, Swede Hanson and Bus Lacey and Matt Newell, all became very, very dear friends. Both Bus and Swede are now dead, but Matt of course, is still very much alive. Matt was a drilling contractor and we had quite a few interesting experiences out there. That was an interesting era. When I came, as I said, I came here in my soldier suit and it was through Bus Lacey, with a friend of his who was the Manager of the Hudson Bay Company, by the name of Bert Thurston - with Bus's help Bert Thurston managed to let me get a civilian suit and a hat and a tie and a coat and a pair of shoes.

#068 NM: So you could leave your army clothes.

EL: I could leave my army clothes off. But it was a wild, wild town back then. Without an oil boom it was a military type town. Leduc had not been discovered.

NM: Can you tell me, how was Calgary when you came?

EL: How big was it, it was about 65 or 75 thousand. The centre of everything was the Palliser Hotel, the biggest office building was the Lancaster Building. It was the hotel, I'll meet you at the hotel, I'll see you at the hotel. The only entertainment we had was in the hotel. There were dinner dances on Wednesday night and the liquor laws were very stringent. I think the laws of Alberta during that period and even up into the Leduc days were, you could only drink whiskey in a room that had a bed in it. I don't know whether they were

trying to increase the population or what but there were some very strange laws having to do with booze.

NM: Why is that?

EL: Why was that? I guess it was sort of the Baptist background or whatever type of religion was predominant at that time. They had been through Prohibition in Canada, as we had been in the United States. Of course, liquor was rationed when I came up here and I had my mustering out pay from the army and I remember that Harry the Horse, who was the head bellman, along with Eric Erickson were there, but Harry had a deal to pick up all the extra, unused ration coupons for whiskey. What was the place where they checked hats and coats in the Palliser was usually filled with Harry's booze supply. I think I spent my mustering out pay before 12 noon the first day I arrived, with Harry making about 10 or 12 trips up from his cache that he had down there ??? with friends because it was very hard to get. But if those old hotel walls could talk they'd tell some interesting stories. Of course, there was Neil McQueen and Art Newburn and there was a fellow named Jack Dallas, who was a Greek, who lived at the hotel. Jack was a very debonair, dapper fellow, who had somehow found his way from Greece to Dallas, Texas and his name was so unpronounceable that he decided to call himself Jack Dallas. He was one of the early promoters in Calgary.

#095 NM: Which was a good name to go into the oil industry?

EL: Exactly, yes. There were quite a few characters like that but Art Newburn and Neil McQueen were probably the two most famous. I think Neil and Art lived at the Palliser for about 17 years. Neil McQueen's father was A. M. McQueen who had been the head of the Imperial Oil company here in the west and Neil had worked as a young geologist with Ted Link and George Edward Jones had been a name in the oil industry at that time. I suppose that Ted Link had walked over most of Canada and Neil McQueen had gone with him as an early geologist. Those were all interesting characters of that era and they of course, became very prominent in the Leduc period. But I met most of them when I came here in that fall of 1945 and stayed until the well was dry. After it was dry I had to go back down south to visit my money because there was none left after that well. So I went back to Johns Manville and they gave me an opportunity to get out of Arkansas, which was a pretty slow place to be in, after the war buildings were over. So they offered me Alabama and northwestern Florida, which looked a lot more lucrative than Arkansas did. So I elected to take that but in the meantime I had to work in Mississippi until the fellow that represented Johns Manville in Mississippi was out of the army, which was about a year. He got out about a year after I did. So my wife and daughter had gone back to Toronto to live with her mother and father. Had stayed with my mother and father in Shreveport for awhile and then they went up to Toronto. We sold our home in Arkansas, we'd bought a house there. So it was sold and they went there and I went to Toronto just before Christmas in '45 and picked them up and we had a car, my wife had driven it to Toronto and then we drove from Toronto back down to Shreveport, Louisiana. I couldn't find a home, it was just impossible and I knew I was only going to be in Mississippi a short time so they stayed with my parents in Shreveport and I stayed in the Heidelberg

Hotel in Jackson, Mississippi and worked out of there and I would come home on the weekends. Used to ride the train from Jackson to Shreveport and although the towns were very close together, the train trip was an unbelievably difficult one to make and certainly didn't travel good hours. In any event, we stayed there until time to move to Alabama and there again, I couldn't find a home. I had an uncle who had a place in Gulfport, Mississippi, so we rented him home for 3 or 4 months, while he was away in California. Finally I found a place in Mobil and bought this house there and we moved to Mobil, all of our furniture was still in storage in Little Rock, Arkansas. We had that moved to Mobil and 8 days after we moved into the house in Mobil, this child, who by this time was 4 years old, contracted polio. She had a very severe case of it. We thought for quite some time we were going to lose her and then she managed to survive but she had a tremendous amount of residual paralysis. She's never walked, she's still alive and a very prominent attorney in Washington in the Pentagon, has her doctor's degree in law, she's still a very brilliant find woman. But she had polio and after much effort we finally got her into Warm Springs, Georgia. Of course, Warm Springs was the centre, because Roosevelt had made it so prominent, having been a victim of polio himself and he had gone there for treatment and cure and around him had built this nucleus of medical people who knew a great deal about polio. So with my wife having to make certain sacrifices, she had to work there as an attendant, they were short on staff and if she would agree to do certain things in their labour force, they would let our daughter in. So she agreed to do these things and moved there and lived in the hospital. Of course, she was a very intelligent woman and these children who were suffering from the residual paralysis from the ravages of polio were not sick in the physical sense. So it was a very short time before she was in charge of a whole floor there, because there was no medicine to administer, it was mostly physiotherapy and things of that nature. So it became very, very expensive. I had inherited some money from my father and from my uncle and most of it had been put into trust that I couldn't touch until I was 30. So I managed to get some relief from that and pay these hospital bills and despite the fact that I was making very good money, working for Johns Manville Company for a person my age and in that period of time, it still just wasn't enough to meet those hospital bills. Because I think they were about \$30 a day at that time.

#168 NM: How old was your daughter?

EL: She was 4.

NM: So just a little girl.

EL: Yes. So I had to make a decision as to what I was going to do. They were there for 3 1/2 years all told, after they got into Warm Springs. So this would have taken place in 1946 is when she contracted polio and. . .yes, I first came here in '43, from Arkansas, then the war, then back. . .so she had polio in August of '46 and in February of '47 Leduc came in. My father-in-law, B. O. Jones, my partner, we'd still maintained our partnership. At that time he had gotten us into a mining situation in Yellowknife called [Nib???] Yellowknife. The big discovery of gold at Yellowknife had been made, so I had some interest in that. I had loaned him some money when he was having his troubles so he had

gotten himself again, in pretty good financial shape and was able to repay me what he had borrowed. It was difficult to get it because of what we called the Form H, monetary controls were still on in Canada. So anyhow I came up in April of 1947 to see what Leduc looked like. It was very impressive. We went up to Leduc and went all around there and he said, you know, I think we've just got to get involved in this thing. He had left Calgary after dry holes in 1943, he had moved back to Toronto and had become successful again in the mining promotion. So I had to make a very major decision because I was doing extremely well at Johns Manville and it was a very fine company and still is for that matter. One of the top manufacturers in its line. So I went back down south and did a lot of soul searching and I realized the expense of maintaining this child in the hospital, I had to either eventually end up on charity, the March of Dimes was very prominent in those years to help people out because the cost of polio was unbelievable. So as a matter of fact, one time I finally had to borrow \$2,000 from the March of Dimes to help meet hospital expenses. Warm Springs was an interesting place. If you didn't have any money at all it was free and these children were 2 and 3 in a room. The 2 little roommates that my child was with, their parents didn't have any funds at all and they had a room absolutely free but in virtue of the fact that I was working and had a job and a good job, I had to pay.

NM: Which is a bit unfair too.

EL: It did seem unfair but it didn't make any difference. It was nip and tuck all the time and this child was so badly paralysed and as I say, she's never walked, she's been in a wheelchair all of her life. So after my trip up here in April of '47 I was convinced then that I had to either go back in the oil business or accept charity, it had gotten to that point. I had some real estate holdings in New Orleans that had been left to me and I had sold those to meet hospital bills and I'd had some stocks that I'd been left and I'd sold those to meet hospital bills. So it was go for broke and by that time B. O. had gotten his feet back on the ground and having looked after him for several years while he was struggling to get back on his feet by looking after his wife and making a contribution to him, sending him money out to Vancouver, it was quite natural that he would in turn help me. So the decision was made that I would resign and come up here and we'd go in the oil business in Alberta. So I went down to New Orleans and resigned from Johns Manville and one of the most impressive things about that is that they refused to accept my resignation. They tried to offer me another territory, they offered me the Houston, Texas area, which was the best building area in North America and continued so, even until this day. But I just couldn't see, even then, though the fact I would make a lot more money than I made in Alabama and Florida, it still. . . I was in northwestern Florida, in the panhandle, which was not a very boomy place as compared to the Miami area. . . but even that would not have been enough to take care of what I could see was coming in the way of need for this child. So they refused to accept my resignation, gave me another 3 year leave of absence, in case I was making a mistake, which I always thought was the greatest tribute and probably the most complimentary thing that ever happened to me in my life. They maintained my corporate benefits over that 3 year period and all those things. So I came up here with that safety net, so to speak and moved into the Palliser Hotel and didn't move out for 3 1/2 years after that. We were sharing an office, to start with, with Neil

McQueen. Neil and Art Newburn had formed a company called Central Leduc, which later became Central Del Rio and I think later was sold to Pan Canadian. In any event Neil and Jones and Art Newburn and of course, all the fellows around the hotel, Ron Dale was the manager and Harry the Horse who was the head bellman and Eric Erickson was Harry's relief. And the great room service waiters like Felix, there was ??? who was a fine Italian, looked after us like he was our caretaker. I remember the maitre 'd there, there was George Allora and there was another fellow, Harold Decker, who's lived for quite a long time. Harold Decker's greatest success was his daughter married a fellow by the name of . . . he was a Minister in Lougheed's government, Lynn Worley. As a matter of fact the telephone building is called the Worley building, it's named after him. He was killed in an automobile crash. But these people all became real friends. There was another one called Joe Zanakelli. And all of these were European trained hotel people that the CPR had gone over the Europe and brought back. I think the Palliser Hotel at that time was one of the greatest hotel's that I've ever seen and I've travelled quite extensively in that years that followed.

#283 NM: The Petroleum Club was started at the Palliser, were you involved with the beginning?

EL: I was one of the very early beginners of it. We started that, as a matter of fact, we had a club called the Renfrew Club. The Renfrew Club was over Motorcar Supply, which was a building just over here on 6th Ave. I think it was. So we got the idea of starting this Petroleum Club. On my Board of Directors at that time, we had acquired another company from a widow in New York State, it was called Homestead Oil Company and Homestead Oil Co. ended up, in its final throws, being Canadian Homestead Oil Company. But on my Board was a man named Virgil Brill???, who represented George and Herman Brown, who owned Brown and Root??? Company, which is one of the big companies in the world. Virgil was telling me that they were going to start a Petroleum Club down in Houston. He was very active in the formation of it along with a fellow by the name of Marlin Sandlin, Marlin was with Woodley Petroleums who were very active up here. Woodley Petroleums became Pure Oil Company and Pure Oil Company became Union 76. But Marlin was one of the early officers, he could have been one of the first Presidents of the Petroleum Club. So we were all very friendly. I had put together a large block of acreage in Saskatchewan, which we had turned over to Woodley, and thus I got to know Marlin very well. So with the information I was getting from Houston, I was travelling there 3 or 4 or 5 times a year, we, along with Jack Bevel and Carl Nickle . . . Jack Bevel was running Gulf at the time and Bob Curran was running Imperial Oil Co. and Carl Nickle, of course, was very prominent with the Daily Oil Bulletin and his map services. Well, we got together and formed the Calgary Petroleum Club. We had a big inaugural meeting one night up in the Sun Room, the Sun Parlour at the Palliser Hotel and it was extremely well attended. And of course, all those people that were there, there could have been 50 or 60 people, became the original members of the Petroleum Club. I've forgotten whether Jack Bevel or Carl Nickle became the first President, I think it was Jack Bevel who was the first President and Carl Nickle was the first Vice-President and I

was the second Vice-President. We had first two rooms, then we got a suite and we . .

NM: This is the end of the tape.

Tape 2 Side 1

EL: We had this suite up on the 11th floor I think it was. My room at the Palliser was 1045 and I think we had this suite on the 11th floor. Of course, we had whiskey and beer up there, which was against the law and the hotel management was very upset. We had to have the room in the name of one of us all the time to try to circumvent the then law, which was quite archaic. This is where the club started. One of the great things that happened to us was the Duke of Windsor came to town and we had the Duke agree to come up and be our guest for lunch and to become the first honorary member of the Calgary Petroleum Club.

NM: Yes, I remember Harry the Horse talking about meeting the Duchess.

EL: Yes, she was there. So Carl Nickle, and Jack Bevel and I went down and brought the Duke up for lunch. First we took him to our suite for a drink and then we went up to the Sun Parlour where we had a picture made of Carl and Bevel and myself and the Duke, signing the book as the first honorary member. I think that picture hangs over at the Petroleum Club now, I gave it to them when I came back from Ottawa.

NM: Was it at the time he came to Alberta to buy this ranch?

EL: No, he already owned the ranch. He just came to see it, he hadn't been here in quite a few years. As a result of that trip he sold the ranch afterwards. But anyway we took him to lunch and I remember, there was an interesting group at the luncheon table and we sat there for 3 hours talking to him. The maitre 'd at that time was Joe Zanakelli and I never will forget Joe's attention paid to the Duke. Being of European origin he knew a hell of a lot more about it than we did. The only person who knew how to handle the Duke and what to say properly was a fellow by the name of Bob Herd. Bob Herd was the President of Royalite Oil Company and married to Neil McQueen's sister. I think her name was Maggie, Maggie McQueen Herd. Bob was an Englishman and quite a two fisted drinker but still a person who knew all the proper protocol and the things to do around royalty. And then of course, we'd been sort of coached by the Duke's gentleman as to what we were supposed to do and say. But we go down to the 11th floor to pick up the Duke, he was in the front suite on 9th Ave. and the Duchess was there and we met her and we escorted him back up. They kept one elevator vacant for his use the whole time he was there, with Mounted Policemen guarding the 11th floor and the 1st floor. So we had quite an interesting conversation with him. One of the things that was so terribly funny about that experience was, at the table we had John Galloway. John of course, was the head of Chevron Standard, California Standard and a very prominent person in town and I think John was probably, I'm not too certain of this, but John was President. I don't think any of these major oil companies had Presidents our here, because the only other big one would have been Imperial, and their President wasn't here, Shell, Gulf, Jack Bevel was an Agent in Fact, was his title. So John was very important and I'm not certain of that,

whether he was or not but if you talk to his son he can straighten that out. But there was Galloway and there was Bob Curran, who ran Imperial Oil Company and Bevel and Carl Nickle and myself and Bob Herd of course, because he was President of Royalite, which was a subsidiary of . . . I've forgotten, it had belonged to Imperial at one time and had been sold and eventually purchased by the Bronfman's. But they had Bob there because he was an Englishman and we had the fellow who was the head of Mobil Oil Company, I can't remember whether his name was Cochrane or Colsun, something. Anyway he was the head of Mobil Oil company and an extremely secretive person. He kept his office door locked and if you went in to see him his secretary would knock on the door and then he would clear his desk of all papers and then press a button which would unleash the latch on his door. He did things in this particular fashion. It was quite amusing because there is a lot of secrecy in the oil industry but some of it can be carried a little too far. But in the course of the conversation, the Duke was just a marvellous raconteur, I don't think I've even enjoyed anything more than listening to the things that he was telling, various experiences that he'd had during the war years and of his brothers and so on. He was quite relaxed, I think he drank one drink if memory serves me correctly and that was it but he was just very relaxed. It was a relaxed group and of course, the only person who could speak English was Bob Heard, needless to say. I'm leaving out others who may have been at that table but I've forgotten who they were. In any event, in the course of conversation, Bob Heard said, Your Royal Highness, Sir, my company Royalite has done all the seismograph work around your ranch. He said, oh Mr. Heard I'm very interested to know that, what are the chances of oil being on my property. Well, he said, we don't know, we're in the process of interpreting the seismic now and we'll have some information very soon. He said, by the way Your Royal Highness, would you like to see the seismogram work, he said, oh indeed I would Mr. Heard, I'd like very much to see it. Well, Sir he said, what time would you like for me to have it brought over to your suite, oh he said, Mr. Heard, I know a little about seismograph and that would be quite a chose, why don't I just come over to your office. Well, I remember, I thought Bob Herd was going to wet his pants, an Englishman who was going to have the Duke and his king, because he was there when he had been king, come to his office, was just about the greatest thing that ever happened to him. He said, oh Sir, I would be terribly honoured Sir, well, he said, what about 3:00. So the interesting thing was, we were all aware that Mobil actually had the lease on the Duke's ranch. Herd had the lands, Royalite had the lands around the ranch but the ranch had been leased by Mobil Oil Company. So here was this secretive Dr. whatever, who was the head of Mobil, knowing that it was his move, he had to do something because he knew that we all knew you know. He said, well now Duke, Sir, my company Mobil has done the seismograph work on your ranch. He said, would you like to see it, oh he said, yes, I would very much so, I'll tell you what, why don't you just bundle it all up and bring it over to Mr. Herd's office and we can all look at it all together. Of course, we were all quite certain that he didn't bring the seismic work that was on that ranch but we never did know how he got away with it. But that was one of the great experiences in the formation of the Petroleum Club and the picture was in the paper. That is the picture that I gave to the Petroleum Club, of Bevel and Nickle and the

Duke and myself. But then of course, we all belonged to the Renfrew Club, because it was a great place to go for lunch and . .

#088 NM: Where was it at the time?

EL: The Renfrew Club would be directly across the street from that parking lot, it would be on the corner of 6th and 3rd St. I think, in there. It was right behind the Petroleum Club, you could walk from the Motorcar Supply Company to the back end of the Petroleum Club, which is right there you see. We had a beer license, we were allowed to sell beer in the Renfrew Club and we had lockers, we had one room in there that we called the snake room and we had an old brass bed in that room because they law said you could only drink in a room where there was a bed. So we had lockers around the wall and in those lockers, we had the key, we had our booze and we'd go over there and get set up with a bowl of ice and some mix and we just had one big table and we'd all sit around there and drink at noon, but we could order beer, that was legal. Whereas none of this was legal at our Petroleum Club. So Mr. Manning, who was the Premier at that time, let it be known that any club that had had a beer license for five years, that they were going to loosen up the liquor laws and that club could begin to sell liquor. Well, we realized then, that if the Renfrew Club got the liquor license, which they were going to get immediately, that would be the end of the Petroleum Club. Because we didn't have quarters, we were just in a hotel room and we . . .

NM: So everybody. . .

EL: Would all go to the Renfrew Club, because it's a natural place to go to a watering hole for lunch, in almost any industry. So we were being ???, Jack Bevel was on the Board of the Renfrew Club and Carl and I were both members of the Renfrew Club. So we got the bright idea of merging the two clubs, changing the name of the Renfrew Club to the Petroleum Club. But that took a little effort because. . .

NM: How did people react to that?

EL: There was quite a lot of reaction to it. Because the Renfrew Club was sort of a competitive club to the Ranchman's Club, but the Ranchman's Club was on sounder footing, it had men with a little more money than the Renfrew Club did at that time. But there were a lot of farmers and ranchers and business people, other than oil people, in the Renfrew Club. It was a great place to go and play rummy and have lunch and go get your bottle out of your locker or have a beer. So that took a little effort because the Petroleum Club represented a group of men who had a lot of money for that period, most of it expense account money, there was no real wealth to any of it. But they certainly had far better expense accounts than the men who were in the Renfrew Club. And so many of us, in the early days of the Petroleum Club were members of both clubs, or a member of all 3 clubs. So we started to work with the idea of merging the two clubs and immediately, some of the older members of the Renfrew Club who were not in the oil business, really took over the battle and fought for the merger. One I remember very well was Mr. Tate, of Middleton, Tate Insurance Co. I remember a very eloquent plea that he made to merge the two clubs because the wealth of the expense accounts of the oil men would save the Renfrew Club and make it into a much stronger and better club, which was the truth. So

by this time we'd been in business long enough for Jack Bevel to have gone out of office and Carl Nickle to come into office and then I was then the 1st Vice-President and would become the 3rd President of the Petroleum Club. So the big fear of the men in the Renfrew Club, who were trying to help us to merge the two, because those of us who belonged to both clubs were pretty well staying back, we thought that was the better part of valour, so they said, if you could just make some indication that this thing is not going to be exclusively oilmen, that you're going to have bankers and ranchers and farmers and merchants and others than oil people.

#144 NM: The business community.

EL: Make it into a business man's club then we think we can sell the member of the Renfrew Club because they knew the value of the liquor license they were about to get. So a deal was then made that I would not be elected President but if we merged the clubs the new President to be of the Renfrew Club was a fellow by the name of Ron Jenkins. Ron Jenkins was in the grocery business, Jenkins Grocery Store was the forerunner of Safeway in Calgary and Ron Jenkins was a very prominent, his father had been in the grocery business and Ron was very prominent in the grocery business. Jenkins was a household name around Calgary for the grocery business. So it was agreed that to make this thing work I'd step down and Jenkins would become the 1st President, to indicate that the Petroleum Club President was a grocery store fellow rather than an oil man. And of course, that did the trick. So I stepped down and never had the dubious honour of being the President of the Petroleum Club. So the club went on then to greater things and became what it is today. We formed an association with the Houston Club, which was in its infancy. We traded information back and forth and we became very close to the Houston Club at that time, then we started to branch out and try and see if we couldn't get one started in Edmonton. At that time, there was a fellow by the name of Bill Hindman, W. A. Hindman, who was with the Royal Bank and Bill Hindman was the manager of the main branch of the Royal Bank in Edmonton. Bill was an interesting person in that he had been born in Edmonton, his father had been the manager of the Royal Bank in Edmonton. . . Edmonton or Calgary, I've forgotten, I didn't know him, and then had been transferred back east. Bill was a native of Prince Edward Island and his first trip west of Winnipeg, after he was born, was to come back to be the manager of the Royal Bank in Edmonton, where he'd been born. I guess his father must have been in Edmonton. So that was Hindman's first trip back west since he was an infant. So he was very interested in the oil industry and caught on to it very quickly as a banker, with no background in it at all, Prince Edward Island. And so we became helpful, as much as we could, to the group in Edmonton. Finally they launched their big club and I went up as the Vice-President of the Calgary Petroleum Club to help them install their organization out in a motel near the airport, which was run by a character who had this motel there that we all frequented because the then manager of the Macdonald Hotel was not very interested in housing the men from the oil fraternity. He thought we were a bunch of bums. ??? Anyhow that was the beginning of the Edmonton Petroleum Club. So then we made arrangements with other club. The only one that never would have any reciprocal privileges was the Dallas

Petroleum Club because Dallas had it's Petroleum Club started at the same time, maybe a year or so before ours and it was in the back end of either the Adolphus or the Baker Hotel, I've forgotten which. And it really wasn't big enough to house anybody other than its membership. It was tough enough to take a guest in there because it was very small. So they never could even get in the position of offering any reciprocity and so it never was established. I don't believe to this day that the Dallas Club has reciprocal arrangements with any other petroleum club. So that was the beginning of that.

So that early group, I've forgotten others that were prominent in it, but that's how . . .

#201 NM: This is the end of the first interview with Eddy Laborde.

Tape 2 Side 2

Blank

Tape 3 Side 1

NM: This is Nadine Mackenzie speaking, this is the second interview with Eddy Laborde.

EL: Well, to continue on the social aspect of the oil business, which has always been an important part of it of course. And also important when one considers the oil industry as a whole because I don't believe there is any other industry in the world today that has the friendships and the camaraderie that exist in this industry because the insurance business or the automobile manufacturing business, clothing stores, the giant chains of food, any other industry that one can think of, these men are all competing with one another individually. Doctors, lawyers, who are different from automobile manufacturers in their conventions and things of that nature, do to a degree, probably associate more than those manufacturers do or insurance people do, but at the same time, they're still competitive. Lawyers are competitive in a sense, but there's something about the oil and gas industry that few people seem to recognize, in that, the competition is primarily with nature, not with one another. Particularly in these days where projects have become so tremendously costly that men have had to band together to become partners in their attack on the secrets that nature hides from them. We've got all sorts of devices we've used, probably the most successful one to date is the use of the seismograph, which is still not an exact science. There really is not an exact science in the oil industry and to determine where oil may be found, about the surest tool we have is the drill. Even that is not perfect and not 100% certain because you can go back over various oil and gas areas throughout the world and find where men have passed by what now have turned out later to be tremendous oil deposits. We have now, even in Alberta, since the time I came here, right at the Leduc period in 1947, we have passed over many oil fields that are now being discovered. A lot of studies are being made of old electric logs and old seismic pictures and things of that nature, to go back in where holes have been drilled and abandoned, to find out that, under new completion techniques of acidization and fracturing and different types of geological interpretation and more knowledge about palaeontology that these old areas can be reworked and in many instances oil can be found that once was condemned by a dry hole.

So even a hole is not an exact science in itself. Also wells have been drilled in Alberta and of course, what I say certainly applies to areas like Louisiana and Texas and Oklahoma and California, which are one thinks always first as being the big oil producing areas of the United States and North America. The number of drilling rigs that are operating in the United States are far in excess of those we operate in Canada and many of them, most of them as a matter of fact, are back in the old areas, that have been passed by. But in this camaraderie in the oil and gas industry that have caused such things as the Petroleum Club, which you find Petroleum Clubs in Denver and Anchorage, Alaska, you find them in Shreveport, Louisiana, New Orleans, Los Angeles and some of the most remote areas, I think you even find them in Australia and other areas of the world. That in itself is indicative of the fellowship that exists because you don't see any lawyers clubs or automobile manufacturers clubs anywhere in the world. One of the big social events and probably the most prestigious thing that has occurred in the oil and gas industry in the number of years I've been in it is the Oilman's Golf Tournament, which started here 34, I guess this will be the 35th year of this tournament. We started off at the Banff Springs, it actually started in Calgary at the Earl Grey Golf Course.

#050 NM: Who was instrumental in that?

EL: The people who were instrumental in doing it, the prime mover of all was a man named Orville Miner. Orville Miner is now dead but Orville had a company called Riley Reproduction and he was in the business of what today we can accomplish to a great extent, with Xerox machines and things of that nature. He kept a log library and kept track of all the electric logs drilled all over. One paid for these services. He did a multitude of things and did a lot of reproducing for us in the early years, of various things that had to be reproduced when you couldn't have these things in one's office. The company still exists and it's a very important part of the oil business. But Orville, with a man by the name of Kendall Hurt, who later left the industry and went to Oklahoma and went in the banking business, and some people like George Dunlap, who was with Sun Oil Company and Al Weir, who was with National Oil Well Supply Company. Those were the early people in this thing. I think that Orville Miner never did aspire to be the Chairman of the tournament, which in itself has become quite an honour in the industry, to be recognized and to be Chairman. I say that with some degree of reservation, having once been Chairman myself. But it is an important part of our oil and gas industry life to date. But it started at the Earl Grey Golf Course and then the second year it was in the Banff Springs Hotel, at the Banff Springs Golf Course. And it continued to grow in size and importance. Latterly it became so important that the Canadian National Railway saw fit to redesign the Jasper Park Lodge to accommodate the Oilman's Golf Tournament, on the understanding that we would go there every other year. I had the honour of being the Chairman of the 5th Tournament in 1955, which was held at the Banff Springs Hotel. We were there I guess, for maybe 10 or 12 straight years, until Jasper Park built their lodge big enough to accommodate some 750 people who attended. That's to include the social . well, there's only about 200 golf players. But it attracts people from all over the world, we've had the Chief Executive Officers of every major oil company in the world has

attended at one time or another. Some are repeaters. At the beginning it was not done by invitation but by the time we arrived at the 4th Tournament, which was in 1954, it became necessary to extend invitations because there was no way that we could accommodate the numbers of people who wanted to attend.

#084 NM: So it was very, very popular.

EL: That's right. It caught on immediately and has become, probably the most important social event in the oil and gas industry. There are things like the American Association of Petroleum Geologists and the API Convention, which are attended by great numbers, but this thing has some worldwide significance to it. It has continued to grow and of course, the men who work on it, it's just unbelievable that you would find people in the industry who would devote as much time and effort to the success of an event as is done with this tournament. At the very beginning, to keep it on sort of a level that wouldn't call attention to the better golf players, we eliminated the idea of the championship flight and that type and named all the flights after oil fields. At the time we started the biggest oil field out here was Redwater, so the #1 flight, championship flight was called the Redwater flight. The second flight is called the Leduc flight. Mind you there are other oil fields that have been found that are larger, but that was the case when we started. So the thing goes all the way down to include them all, including Turner Valley and Pembina and Armena and such names as that. They're beautiful trophies that have been contributed by various companies. I know that I had the distinction with Canadian Homestead, when I was its Chief Executive Officer, of giving the trophy for the Armena flight, which was of an oil field that Canadian Homestead discovered, back some number of years ago in what is now called Joarcam. Joarcam was an acronym for Joseph Lake, Armena and Camrose. The Royal Bank of Canada, in its early attempts to be the number one oil bank, which of course, it's now lost that distinction, but it did in the early days have it because they were willing to loan money in the oil business. The Royal Bank gave the trophy for the winner of the Redwater flight and if memory serves me correctly I think we have it insured for about \$25 or 35 thousand. It's a beautiful English bowl of some description. And all of the trophies are equally valuable, not equally valuable but equally important. So as a consequence the fellow who is a real duffer can win his flight and he gets recognition as a winner, right along with the fellow who's a scratch golf player. The other thing about it is, is that the prizes for winning the Redwater flight or winning the Drake Point flight, which is way down for duffers, is identical. If there's a punch bowl for the championship winner. . .in other words the trophies are all kept in the Petroleum Club, in cases over there and then they're brought out once a year, to be taken to the tournament to be put on display. Then they're put back in these cases that were built in the Calgary Petroleum Club. But the take home prize is the same for the winner of the Redwater flight as it is for the winner of the Drake Point flight. There's of course, a runner-up to the championship and then there's a consolation and the consolation runner-up. That takes care of 4 prizes. The tournament lasts for 4 days of play but it takes about a week out of one's life. But the tournament is 4 days of play and we play the maximum number of people you can put on 18 holes in that period of time. To maximize the number of players, I remember that Don

Mackenzie, with Imperial Oil Company, W. D. C. Mackenzie built a replica of the Banff Springs Golf Course and worked on it with a stop watch in his basement for hours on end, timing and doing a motion study to see how many strokes a fellow would take, how long it took him, how many practice strokes he was entitled to and I think we got the maximum. . .

#134 NM: He did not tell me about that when I interviewed him.

EL: Didn't he? But he did a marvellous job of increasing the number of players by finding out just how long a person would take to play a round of golf. For a number of years we used to send out directives to the players, do not take more than two practice swings, have your club in your hand when it's your time, we taught people to play golf all over again. As a matter of fact, I dare say that the golf clubs in this town probably play faster than most golf clubs anywhere in North America, because of the numbers of oil men that play in the various clubs here in town, who are always speeding up play. I remember once, an occasion with Al Weir, who had been Chairman of the Tournament, I think he was the 2nd or the 3rd chairman, I've forgotten which. Al had his principals here from the United States and prior to their coming he had sent in a requisition to equip each of his salesmen in the supply business with a sleeping bag and some sort of a lifesaving kit in case they got caught in a blizzard or a snowstorm. And he'd been turned down in Pittsburgh by the comptroller that it was an unnecessary expense. In those years it was pretty hazardous getting out in the winter time because we didn't have anything like the types of communication that we have today and of course, the roads were mostly gravel throughout the province. So Al saw a real need for this lifesaving gear to be kept in one's car. But he'd been turned down. So his executive had heard of the beginnings of this tournament and they being golfers were interested in attending so he saw to it that they were invited. When the tournament was over, it was at Banff, they expressed a desire to see Jasper. So they got in a car and headed up for Jasper and he had the President of the United States Steel Corporation along in the car. En route they got caught in a blizzard and these men from Pittsburgh were frightened to death. It wasn't a very bad blizzard but it was blizzard enough to scare the hell out of them. So they asked Al, what did he have in case they couldn't get out of there, to save their lives, they were in fear of their lives being amateurs, but Al was not all that worried. He said, well, he had nothing, he had put in a requisition for just such stuff for all of the employees that were travelling throughout the province but had been turned down by the comptroller. Well, needless to say, the sleeping bags were installed in every vehicle shortly thereafter, by order of the President of the company. But I think that little story relates the important role that the tournament has had. A similar situation to that was I had one of my friends with Amoco tell me that as a result of their executives in the Standard Oil Company of Indian coming up here to attend the Oilman's Golf Tournament, they'd never been to Canada, they'd never been to Banff and they were so impressed with the beauty of the mountains and the country, that at the next meeting of the budget committee to establish which area would get the most budget, there was a Texas division and an Oklahoma division and by this time Alberta had become a division, that he actually believed that he got a better budget for Alberta

that year than he would ordinarily have expected to receive, had it not been that these people had attended the Oilman's Golf Tournament and began to know something about the country.

#182 NM: I wanted to ask you, why is golf as a sport so popular with oil men?

EL: Why is golf?

NM: Yes, why is it so popular, it could have been tennis or horseback riding but it seems to be golf?

EL: I think one of the reasons golf is an important game in the oil industry. . in the first place, it's an important game to make deals in any industry. But as I said a little earlier, that we have to partner a great deal because our competitor is Mother Nature and we have to get together.

NM: So it's a sport where you can go on chatting?

EL: We can talk and you will usually find that most golf games, it's been my experience, have certain business overtones to them. You'll find that a lot of oil men play golf together and it does provide an opportunity to meet one another because we are so important to each other. As I say, it's not like being in the automobile manufacturing business or being in the insurance business. It's an industry where the principal players are entirely dependent upon each other because we have to trade information as well as participate and partner in drilling deals. One company may have the records of a dry hole somewhere and you've got a geologist in your company that has an idea that they've made a mistake or that you're going to go in there and drill another well. These things are permissible and they're done to a great extent. I might go to a company and I might know the fellow who is the head of it and I ask him about going out to play golf, there's something I want to talk to you about. There's a lot of privacy on the golf links, where you can talk and you might at that point make a deal with him to trade some information. Because information is extremely valuable in the oil business, when you consider how much money is paid for seismograph work and for drilling a dry hole, it can be terribly expensive. I think this year we witnessed the most expensive one ever drilled that approached a billion dollars up in Alaska. So you can imagine that even though it were dry, there are literally millions of dollars worth of information obtainable, in having drilled a dry hole. Because one thing for sure, you know not to drill there again, unless there has been an error made through the techniques employed of that day. As I say, the improvements and the technique and the sophistication and the equipment that is available to us today has made all these things possible. So I would say that's probably the reason why golf is such an important game.

NM: It's a spring and summer game, what about winter?

EL: Winter, there's an awful lot of shooting. This country in the beginning was a great place to go pheasant shooting. As a matter of fact, it's one of the things I think I said earlier, that attracted me here, was this ability to go out a very short distance and have very good duck shooting or goose hunts and pheasant and Hungarian partridge. Whoever brought in pheasants and Hungarian partridge, now the bird is indigenous to this country, did a great service to the oil and gas industry because we later went through these periods of

shooting together and there again, you would find a group of oil men together and occasionally the odd doctor or lawyer would join in or automobile dealer but primarily it would be a getting together of oil and gas people or supply people or people in ancillary businesses that would go shooting. So that took up a lot of the winter activity. There again, now you'll find, scattered in places in California, more so than in Florida, you'll find oil and gas people in places like Palm Springs and in the vicinity of Palm Springs, belonging to the various clubs because there are hundreds of golf clubs as you know, in the Palm Springs area. Now it's not at all difficult to go there and find a golf game and there again, you'll find fellows in the oil business. Another thing about that, again, speaking of the winter time, is that so many individuals who are not in the oil business per se, you might find a prominent doctor or a prominent lawyer who are making investments directly into the drilling of an oil or a gas well. Back in the times of Lyndon Johnson and his Presidency of the United States, the maximum United States income tax during that period was 91%. So if a person made \$500,000 - \$1 million a year, which was not unusual, he had to look forward to only being able to take home 9% of what he made. But if he spent his money drilling in the oil and gas business during that era, he was able to write off against his earned income, what he had spent to drill a dry hole or an oil well, either one, whether it was a success or not a success. So any time you can go into a venture that has the glamour and the romance and the potential for such tremendous wealth as to drill a hole in the ground and have the United States government pay 91% of the cost and you only put up 9% . . .

#266 NM: It sounds very good.

EL: There's been a tremendous number of business men in the United States with no background in the oil industry . .

NM: But ready to invest.

EL: Were ready to invest. And they used to come up here by the droves and of course, at the same time they were investing in the United States, they were participating in the drilling of wells in Texas and Oklahoma and California and wherever, because they were able to expense that. Unfortunately our government was extremely stupid during that period of time and would not let a doctor or a lawyer or an automobile dealer or a business man or insurance man, whatever the case may be, would not let him do that.

NM: Why?

EL: They claimed that they didn't want the government of Canada participating in the oil and gas business and supporting a risk taking venture by any of its entrepreneurs. That particular period of time the only people who could expense the cost of drilling a well, were drilling contractors, oil companies, metal fabricators, pipeliners, and there was a 5th category. I remember once we had a deal with a bottle cap manufacturer. We tried to get him classified as a metal fabricator because he had some money and he wanted to spend it out here in the drilling of a well. It was finally determined that he was not a metal fabricator because most of his product consisted of cork. And they were referring to the little cork insert that went on the top of the metal bottle cap. That was the thinking of the civil servants in Ottawa.

NM: That sounds so stupid.

EL: It was absolutely stupid. Of course, then, since the money would flow free back and forth across the border, a man could come in and take his chances in Canada because the boom was on and there hadn't been a boom on this continent like it since 1931 in east Texas. So it attracted an awful lot of people like that. So this also provided a lot of camaraderie because what could you do with a man who had millions of dollars and knew nothing about the oil industry except take him out to play golf or go shooting with him.

#302 NM: And explain to him a few things.

EL: That's right. They're the neophytes and uninitiated in the industry, except they knew the romance of striking it big if they. .

NM: It was a good challenge for them too.

EL: A great challenge. So that added another thing to the romance of the oil and gas industry, by having these other people who were extremely interesting and terribly successful in their own business to permit them to make these investments. I remember once, being invited down to New York to make a talk and in the talk was a young fellow named Van Buren. There's an expression that you don't hear as often today, that's the \$64,000 question. I think it may have found its place in the dictionary today. But the \$64,000 question had to do with an early television program.

NM: So was it a show on TV?

EL: Yes. Where if you could answer all the questions properly, you went into a glass booth and these questions were posed and you'd start off and you finally got up to \$64,000. Of course, that was a tremendous amount of money and everybody was watching the \$64,000 Question. And then the program got even bigger, when you got to \$64,000 they started to go up to as high as 120 some odd thousand dollars. Well of course, that 120 some odd thousand dollar of that era would be in keeping with a million dollars or better today.

NM: This is the end of the tape.

Tape 3 Side 2

EL: In any event there was a fellow by the name of Van Buren who seemed to know everything and the questions were on physics and science and . . .

NM: Difficult questions.

EL: Extremely difficult questions. It took a very, very high IQ to get up to \$64,000 but to go beyond was almost unbelievable. And this thing captured the imagination of everybody and if you think there was a big listening audience for a program such as Roots or things of that nature, well I think comparatively speaking the listening audience for the \$64,000 Question was equally impressive of that era and generation. But in any event, Van Buren had won this money, \$128,000 or \$250,000, I've forgotten which. He was in the audience at this club this evening when I made this talk and he approached me and wanted to know, he was a professor of English I think, a professor at some university, knew absolutely nothing about the oil business, except that he needed it to make his car operate.

He approached me and told me he had won this money and under the tax law of the time, he had to pay 91% of it to the United States government in income tax. Because although it was a fortuitous gain, the United States still taxed gambling gains, if that were a gambling gain, if you want to call it that, prize money was taxable and still is. Whereas in this country it isn't. If you win the 6/49 you get to keep it all. But in any event, I said, sure we'd be very pleased to spend him money for him in Canada. At the same time there was another fellow there by the name of Mankowicz, who had been down and out on his luck, on Broadway for numbers of years, who all of a sudden, like in the oil business I guess, had had two very popular hits on Broadway in one season. One of them was called Look Back in Anger and the other was called Dark at the Top of the Stairs and they were both tremendous hits on Broadway and he had made a lot of money for the first time in his life. So anyhow to make a long story short, I ended up with the money that both those men had made and brought it up here to Canada and we drilled a wildcat well out at the place called Armena and discovered oil and I dare say, those fellows put up. . well, Van Buren . . well, it didn't make any difference because we found oil and about three years later we bought them out for \$6 million. So his investment of a little over \$100,000 and I've forgotten what the other fellow put up but. . .

#029 NM: So that was very successful.

EL: Extremely successful. And of course, needless to say, the word then gets out, I did thus and so, I went to Canada and I put this money into this deal. So the people were just flocking and bringing money. The Canadians couldn't compete and they were having land sales. To add to the stupidity of the government of Canada, the sale of lands by the government of Alberta at Crown sales as they're now called, they were selling to the highest bidder, Alberta Crown lands, oil lands, you could not expense against your income, the cost of acquiring those lands. In other words if you'd go out and spend \$1,000 for a piece of wildcat acreage, moose pasture most of it was no good.

NM: So you could not claim that.

EL: You couldn't write that off your income tax, that was an investment. Whereas the American tax law, the United States tax law, permitted them to write off the expenditures as to 50%. So at any rate every time a U.S. corporation would bid on a tract of potential oil and gas lands in the province of Alberta, they were bidding with a 50 cent dollar and we here in Canada were bidding with 100% dollar. So that is another place we were at a disadvantage. So here a person who could have become extremely wealthy and a lot of wealth could have been kept in this country by letting Canadian entrepreneurs have the same tax laws that the Americans had. In place of having all the great wealth in Houston and Dallas and places like that and Palm Beach, in Florida. . because a lot of people, the Palm Beach winter residents, I used to go to Palm Beach every winter to visit people that were investing money in the ventures that we had here in Canada.

NM: So it was very good for the Americans, because not only they could invest in the States, they could invest in Canada too.

EL: That's right. They had it both ways. It was only in the last few years that the Canadian government began to realize the error of its ways and then it rushed in and of course, by

that time, there's still lots of oil and gas left, I'm not one to sit here and say that there isn't because I think the province of Alberta is still the best hunting grounds for oil and gas left in the world, as we know it today. And I refer to that, in addition to the type of democratic government, the paved highways, the communication system as compared to drilling in Nairobi or drilling in China or something of that nature. China may be equally as potential greater than Alberta or western Canada but just the same it doesn't have those other amenities to go along with it. But it was only in recent years that the government saw the error of its ways and decided to change this thing. I would say it was sort of locking the door after the horse was gone because the early blush of the thing was gone.

#063 NM: Can we go back to your career, so you were in Calgary, you were staying at the Palliser Hotel, you were instrumental in starting the Petroleum Club. What else did you do?

EL: What else did I do? Well, those were some pretty great years, we played an awful lot of gin runny if memory serves me right and there were some real characters that used to come to town, I remember one in particular, a fellow named Jimmy Meek. Jimmy Meek was sent up here by Clint Merkurson. Clint Merkurson became very famous, his family is still well known in the south. One of his sons is dead and one's still alive, Clint Jr. But Jimmy Meek was up scouting out the possibility of Merkurson getting in the gas business. Clint came up several times and I got to know him personally. He was a wonderful person to know and he was one of the most successful entrepreneurs and oil men in the United States. He'd been very controversial in flying in the face of the rules and regulations of the Texas Railway Commission, which control the oil and gas business in Texas, the regulations of it. But Jimmy was quite a character and we played an awful lot of gin runny in his room, he was here for a couple of years. It was the commencement of the work that he did that eventually Merkurson got the idea of building the Trans Canada Gas Pipeline, which he did finally take to fruition. But in the doing of it, caused the government of Canada to fall. C. D. Howe and the government of that day invoked the rule of closure and then were defeated at the next election as a result of it. One little person like Jimmy Meek who got a couple of little gas deals together and he eventually put together, in addition to Trans Canada Pipeline, a company called Canadian Delhi, because that's where Clint came from Delhi, Texas. Canadian Delhi became Candel and Candel became Solpetro, at this point in time. Another character in those years was a man named Tom Mayes. Tom Mayes was well known around town, eventually moved here for a short period. Tom had a company called Mayes, Bevin and Mayes, Bevin went into the gravity meter survey business and gravity meter was a sort of a cheap method of looking for oil. A lot cheaper than seismic and not nearly as good, but it served a purpose. You don't see any of it today, to the same degree it was then but in those years we were looking for cheaper methods of doing exploration work to satisfy government requirements. Otherwise you could go out and lease 100,000 acre permit from the government of Alberta. But you had to provide some geological information to the government on that permit to keep it in good stead. Ordinarily you could get away with \$1,000 report from a geologist, who would write that the terrain is rolling and it's traversed by through roads

and there's good chance for oil and you could get away with that as being your geological survey of that 100,000 acre permit. I say permit because you were not allowed to keep it all, you had to give half of it back to the government. But there were a couple of characters, along with, you've already mentioned Harry the Horse who was around and there were other old characters around like Maynard Davies that I made mention of.

NM: Neil McQueen.

EL: Neil McQueen. And Art Newburn was an interesting character. I remember that Art Newburn was Neil McQueen's partner and Art lived in the Palliser Hotel for about 17 years. He and Neil were 50-50 partners. I remember that the government of Canada saw fit to change the statute of limitations from 6 years to 4 years and in the dying gasp of the 6 year rule, they saw fit to tax about 27 of us, I think it was, for things that we had called. . . . there was no tax in those years on capital gains, there was only tax on earned income. They saw fit to change the rule on the income tax statute of limitations and with that, a lot of us got notices that we owed money on things that we had called capital gains. The government had seen differently and decided that that was earned income and not capital gains. One of the fellows hit very hard by it was Neil McQueen, as well as I was hit pretty hard by it myself. But they didn't touch Art Newburn and it was so interesting because they were 50-50 partners and they had the same records and of course, Neil employed Gordon Allen, who became one of our judges here, Judge Gordon Allen as his lawyer. They battled the income tax people down to the wire and I think Neil was able to settle for about 5 cents of the dollar. But just one day, out of the clear blue sky, to get a notice that you owe \$1 million in back taxes.

#124 NM: That's quite tough.

EL: It's quite tough. I know that I was caught up into it and got a notice that I owed taxes for 6 years on a deal that I had made that I had. . . I hadn't interpreted it but Pete, Mark and Mitchell had interpreted it, being my tax people, as a capital gain. So I figured if they said that, they were the experts, not I and so be it. But the government decided differently and I was taxed for everything that I had based on 6 years of compounding interest plus penalty. It was an amount of money I couldn't pay. The government took my home away from me and let me live in it for a small amount of rent and I had to spend several more years working myself out of that particular hole, which fortunately I was able to do. They settled for 30 cents on the dollar in my case and I made the mistake of not employing Gordon Allen because I figured I'd go down to Toronto because there was a fellow that I had made several deals with, by the name of Joe Hershon, who was quite a promoter and an operator in Toronto. Joe had joined in a deal that we had put together called the Toronto Syndicate and had participated in the drilling of a whole series of dry holes. Joe had been tagged by the government of Canada for what they thought was earned income so he employed a man by the name of Salter Hayden, who is Senator Hayden of the firm of McCarthy and McCarthy. Joe was able to get out of his problems for only about \$35,000. Joe had a lot more money involved in the deal than I did. As a matter of fact, after he settled for his \$35,000 he left Canada and went back to the United States, where he'd come from originally. I think he came from Europe originally but he went back

down to New York where his family were living and took some of his gains that the government didn't take away from him and built what is now the Joe Hershon Art Building at the Smithsonian Institute in Washington, D. C. Now he got about a \$75 million statue in the park for himself in that building, the Hershon Museum. But that was interesting, but I was not so lucky as Joe. As I say, I employed Senator Hayden and ended up settling for 30 cents on the dollar. These are the types of things. . . I had moved out of the Palliser at that time. There were people who came in, I remember Ernie Funkhauser came up from Woodley Petroleums and he lived there for quite some time. Others that came in that stayed at the Palliser. There was no other hotel of course, in town, except the Palliser and there was this. . . . I think I can best express it by what Neil McQueen's partner, Art Newburn. Art had some of the damnedest expressions that he would make. He and I were sitting in the lobby of the Palliser one night and it was a usual busy night, packed with people. Art slapped himself on the knee and he had big wide eyes, he looked at me and he said, ran tiddly damn, damn by the red-headed Jesus, if the band were to strike up the Star Spangled Banner, I'd be the only one in this room that wouldn't have to stand up. Because it was full of course, with Americans. I remember another U. S. pair that came up, Jack Bailey and Charlie Ship, who were in the supply business, Continental Supply Company. They had driven up from Tulsa, it wasn't at all unusual to drive up in those years because the air service was no good. They had driven up, a couple of old country boys, never been up to Canada before and they arrived just in the middle of the Macdonald Briar Bonspeil. In those years you travelled around without hotel reservations because it never was necessary. They pulled up in front of the Palliser just as these curlers were coming out and they walked in and the lobby was filled with curlers. The story goes, Jack Bailey turned to Charlie Ship and he said, Charlie, boy we're not going to get a room here tonight, looks like to me they've got a boom salesman's convention going on here.

#183 NM: He had a good sense of humour.

EL: I don't think the Palliser ever caught on fire when we were there. The staff and the training that they had. We started the Petroleum Club, the Palliser had a dinner dance once a week and it was the only social function in town. The Country Club wasn't big enough and didn't have enough things going on. The Ranchman's Club didn't have anything like that, it was strictly men there anyhow. Then they got at the Palliser to have it on Wednesdays and Saturdays. One of those nights would be the Petroleum Club night and there would be mostly just oil people there. And of course, we were not allowed to drink in those years, I go back again to the story about the room with a bed in it. So we'd always get a room at the Palliser and have a bottle up there and between dances you'd go up to your room and come back down, it was a dinner dance, come back down to your table. Then we began to get bolder and bolder and have bottles under the table. But that was the big social event was the Palliser Wednesday and Saturday night dances. So many characters around. I remember we used to all have our annual meetings there.

NM: In one of the bedrooms?

EL: No, no. It would depend on how big your company was but there are little meeting rooms on the mezzanine floor there and you'd have, not your Board of Directors but your annual

meeting. Most everybody had their annual meeting at the Palliser. And of course, the small companies were proliferating around here by the hundreds. I remember once we didn't have a quorum at a meeting and I went down and gave Harry the Horse 1,000 shares of stock to come up and be a shareholder and attend a meeting to make a quorum. But Harry was, as we've said earlier and as others have talked to you and you say you've interviewed Harry, he knew more about what was going on. Another fellow came up by the name of Bill Saffold. He was an old time promoter, he came up from California. Bill was a great hunk of a man, huge man and very popular and quite a promoter. As you say today we call them entrepreneurs. He never did have any great stroke of luck but he did a lot of good, drilled a lot of dry holes around the province and made a contribution. When he first came up he had a fellow with him by the name of R. A. Brown, not to be confused with Bobby Brown, whose initials were the same, at Home Oil Co. R. A. Brown, who came up with Saffold was a quiet part of the team. They eventually split up. I think the only thing that R. A. Brown left was a company down here called Barrons, which is still going today and is a pretty good little oil company, run by a bunch of old timers out of Lethbridge. But other people who came out, I remember we started a company called Pan Western. We sold an interest to old man Will Buckley, who is the father of Bill Buckley and Senator Buckley. He came out here, he and Mrs. Buckley, who was a charming woman from New Orleans. They were a very devout Catholic family. I think there were about 12 children in that Buckley family. We sold them an interest in Pan Western, which I'm sure that if you're going to interview D. P. Macdonald, he'll remember it very well because we ended up in a legal battle with control of the company with the Buckley's. Then they set up, finally, their Protestant son-in-law, whose name was Smith, he had married Jane Buckley, Bill Smith. They'd had a company in South America called Patapec, and they'd sold Patapec to the then Jersey company, what's known today as Exxon. They sent up a man by the name of C. U. Daniels, Danny Daniels, who became very popular. He has a daughter living in Calgary today, Alice Hunt lives out on Elbow Drive. Incidentally Alice would have lots of stories about the early days of the oil industry because Alice had been in South America with her father and was a young woman when she came here.

#258 NM: No relation to the Hunt brothers?

EL: No, no relation. No her husband's in the insurance business here, Hal Hunt. You may want to talk to Alice, I don't know how many women you. . .

NM: Not too many women.

EL: She would know a great deal about the early days of Calgary. Her mother, Olive Daniels, I remember helped my wife and I get located in our first home over on Frontenac after we moved out of the Palliser when my family finally joined me in 1951. I remember Mr. Buckley's chauffeur, he came out on the train and their chauffeur drove their car out here so he'd have it, all the way from New York or from Sharon, Connecticut, where they had a place, I've forgotten which. I remember I was quite impressed by their chauffeur because he had been Jumbo Black Jack Pershing's chauffeur during World War I. funny how things like that come back to memory. I was more impressed with him than I was

with old man Buckley. But there were people like that coming from all over, different ones have different tales to tell.

NM: So people were coming from all over the world?

EL: Yes, they were coming from everywhere and from every direction. And the people were being sent here. When Triad was formed, which was British Petroleum, they sent a man here, a Scotsman by the name of Alastair Down. And Alastair Down had been a great hero in World War II and had been wounded several times. I think he wore two hearing aids, he had a built-in limp, he'd been shot up very badly. He came out here to run Triad Petroleums, which was started by British Petroleums. He was a British Petroleums employee. Later he went back to London, where I think he became Chairman or Managing Director, which was a superior title in the English things, for British Petroleums. I remember Alastair was a great golf player and he used to come, even after he went back to England, he used to come back over to attend the golf matches. Another family that came continually to the golf matches were the Hunting family, of the famous Hunting clan. I don't know whether you've heard of them but the Hunting's used to be prime oil and gas movers. They first sent a man out here by the name of Green, Bill Green and Bill Green built one of the first little independent pipelines and it was done on the discovery that I had made at a place called Hamilton Lake with Canadian Homestead. Bill Green built that pipeline. Bill lived in London at the time but he used to commute between London and Calgary by ship. I don't know how many times he laid claim to having crossed the ocean, but the air service was not all that good and it was a little frightening in those years. The Hunting clan owned the airline that used to go between London and South Africa and they had a company called the Gibson Oil Marketing Company and they probably at one time, I think they had under lease, more tankers than any other company in the world. They had a tanker on the ocean every night, moving oil, they were in the oil transportation business. The person who runs that company here is Bob Laidlaw. Bob Laidlaw has been a very prominent Calgarian. Bob has been President of the Stampede, he's been Chairman of the Oilman's Golf Tournament. But the Hunting family still come back. They didn't come this year for the first time in years, to the tournament but they came to the Stampede this year because Laidlaw was the President of the Stampede this year. He is an old timer and incidentally went to school in Oklahoma, a local boy and met a Louisiana girl while he was down there. There's been an awful lot of that that's taken place. It's an interesting thing, the oil industry seems to be so well travelled, there are very, very few places that you can go where one in the oil industry would go without meeting somebody that you know.

NM: This is the end of the tape.

Tape 4 Side 1

EL: One could go to Des Moines, Iowa or go to Nebraska and you probably wouldn't, a person in the oil industry, you probably wouldn't see anybody that you know but if you go into the golfing areas of California, you go to Hawaii or you go to almost any town in

Louisiana or Texas, lots of Mississippi and Alabama and of course Florida and California, you'll usually bump into somebody that knows somebody that you know in the oil and gas industry. The same thing applies in London to a great degree because the industry seems to travel within the same circles. It's narrowed down to less and less places since the change in the tax laws and the advent of FIRA in this country to try to limit foreign investors from coming in. Because you used to be able to go to places like Des Moines and Nebraska and you'd find somebody, a doctor or a lawyer or a fellow who manufactured flooring who had money invested in Canada. There used to be quite a lot of people came from the strangest types of industry, that you'd meet at the Palliser or someone had a party from somebody who manufactured flooring in Des Moines, Iowa and it turned out that he'd made a lot of money in the flooring business and he'd been attracted to Canada and the person who had brought him up here was having a cocktail party to introduce he and his wife who had come up for the summer.

NM: So it must have been a very interesting time to be at the Palliser Hotel.

EL: It was, it was very, very interesting. And of course, the Petroleum Club took off and became another centre of activity. We finally got a new clubhouse and the Country Club and improved the golf course and got some trees planted around it. I think that Don Mackenzie's father planted the first trees around the turn of the century on the Calgary Golf Club. Those were interesting years, it was a smaller town, as I say it was only about 75,000 people at the time that I came here or thereabouts. There had been a few people who knew how to drill a well of course, coming from Turner Valley and Lloydminster and Wainwright, which were old field, but when Leduc came in and the new techniques, the changes that were being made in the drilling industry brought in an awful lot of labourers. Not labourers but skilled workers I should have said, who were absolutely necessary. Of course, these men ended up being the training cadre for the Canadians who wanted to develop in the oil and gas industry and those that saw the importance of it. There were so many young people of that generation who today are experienced businessmen and leaders in the industry. Needless to say, most of those U.S. citizens returned to the United States and left behind the trained Canadians, who in turn trained others. At one point in time, I remember that Calgary had the 2nd largest population of petroleum geologists in the world.

#039 NM: So they were all coming here.

EL: It had the largest population of petroleum geophysicists in the world and it was a tremendous centre and certainly the Canadian drillers became the leaders in drilling in the cold climates. The southerners, particularly the Louisiana people and the Texas coast people knew all about drilling in marsh and low country and heat and mosquitos and that and the Canadians became the experts on the Arctic. Also became very expert in drilling in rough waters. The Americans had learned how to drill in the placid waters in the Gulf of Mexico and were not as easily adapted to north sea as the Canadian drillers were. Suddenly with the advent of Prudhoe Bay, the Canadian driller was in great demand because of the Arctic cold. This was all part of the contribution of the American teachers that had come in during that period. At one time Calgary had the largest population of

Americans, of U.S. citizens of any locale in the world, outside of some military installation.

NM: So a lot of Americans came and stayed.

EL: Yes, and a lot of them stayed. I for example being one. One comes to mind who was here with Staniland in the early days was Charlie Shock, who's still here in town. He's an old timer and remembers a lot of what took place in those years. But there were many, many others that came in the early years, Smiley Rayburn, Bob ???, Bob Reuben. Bob came up here from the United States Navy, and I've made mention of his father Frank. They started North Canadian Oils. Matt Newell of course, came up in the 30's, working for the Hughes Tool Company. He was selling bits in Turner valley for Hughes. The only man I know in town who really knew Howard Hughes, because he was his classmate for the one year that Hughes went to the University of Texas. Matt even knew Howard's father, who was one of the ones that invented the Hughes bit. So a lot of those fellows came and stayed and became Canadian citizens. I mentioned Swede Hanson yesterday, Swede Hanson was one who stayed. He came up here working for Continental Supply Company and after the Turner Valley boom was over, Swede came in the 30's, they pulled out and sold him what was left of their supply business here and he changed the name of it to Turner Valley Supply Company, which we laughingly called Midnight Supply Company. Then when the Leduc boom came, Continental Supply Company saw fit to return to Canada and those were the two fellows, Jack Berry and Charlie Ship, attending the boom salesman convention that came up to start Continental Supply Company. They bought Hanson out and he didn't do much except play bridge and gin rummy from that day on. Except during one period there was a tremendous shortage of pipe, the majors had all the pipe and the independents couldn't get any pipe. We had a lot of fellows coming over talking about pipe available in Germany, because obviously the Allied forces had not bombed the non-strategic steel plants along the Rhine. And those in Dusseldorf and Cologne were still intact and able to manufacture pipe and they'd send over people from the United States to teach the Germans to manufacture what we call, API pipe. The specifications API, American Petroleum Institute. So I finally got enough ingenuity and gumption to try and do something about it, so I went around town and got a collection of money from Neil McQueen at Central Del Rio, Central Leduc, whatever it was then, and some from Bobby Brown at Home Oil Company and some from Bob Heard - Danny Daniels may have been running Royalite, I've forgotten who - but anyhow, I got together \$2.5 million and a letter of credit and I took Swede Hanson and we went to Germany.

#087 NM Which year was this?

EL: That would be in the late 40's or early 50's. I know Swede and I were both frightened to death to fly across the ocean and we both got very full of booze before we took off. Then we went to London and we were greeted there by the Alberta Government House representative, who was a man by the name of Rene MacMullen, which was an odd name for an Albertan. But Rene MacMullen was the Alberta government representative in the Alberta House and he looked after us in London and we met these people who had been here, an Englishman and another fellow who claimed they had this pipe in Germany. So

Swede and I went over to Dusseldorf and we stayed there for about 10 days and we bought \$2.5 million worth of API pipe when there was none here to be had, because none of the majors would let us have any. Canada eventually got a steel comptroller in the form of Ralph Will because we had a grey market going on here and Ralph became our steel czar to allot pipe. But prior to that we had gone gotten this \$2.5 million worth of pipe. We had a boatload of pipe on the ocean every month for a year. As a matter of fact, we had enough that we were able to divert some to some friends down in Houston, Texas, who were running short of pipe at the time. But without Swede Hanson to know what we were buying, because all I knew was that pipe was round, so he went over and he checked these people out. We went out to some really remote place, someplace called Zeigen???, not too far from Dusseldorf. They claimed they had some surface pipe up there, which was big inch pipe. But it was electrically welded and of course, API pipe is seamless pipe. But anyhow Swede saw fit to buy this surface pipe because he said it was good and it didn't have to withstand the pressures, because you only ran about 600' or 900' of it. That became very popular too.

NM: So they shipped that from Germany to Canada?

EL: Yes.

NM: Did it take a long time to arrive?

EL: Oh yes, we had a boat constantly moving. We had one coming in to Vancouver. It was going all the way around through the Panama Canal zone and coming up around. I had a \$2.5 million letter of credit I think that the Manager of the Royal Bank at that time was Don Anderson. I think that was before the advent of Bill Hindman, Don Anderson was the Manager. Don later left to go to Toronto to become the Manager of the main branch there and then to become a Vice-President and one of the executives of the Royal Bank. He left the Royal Bank to put together that big project on the waterfront there, in front of the hotel where they built the CN Tower. All that was supposed to have been a big project where they were going to move the railway station and fix up the waterfront, but it finally fell through for political reasons. But Swede Hanson was quite a character and we had quite a time over in Dusseldorf. We had the only 7 passenger limousine that existed. The place was flattened. I remember Art Smith, I was asking him when I got back - Art had been bombardier in the RCAF and I'd been certainly impressed by Cologne because the only thing standing was the cathedral, just across the street was the railway station and it was a big railway station and just across the other direction was a bridge across the Rhine and when we got there, there was no bridge and no railway station.

#131 NM: Nothing left.

EL: It was just a great possibility for a big parking lot, all the way around this cathedral. And I remember asking Art one day, I said Art, you were on the bombing raids over Cologne weren't you, he said, yes, I used to go almost every night. The British would bomb at night and the Americans would go in the day time with their high level planes. I said, how the hell do you figure that you people were able to miss that cathedral, he said, that's what we were aiming at. That was our target, we always aimed at the cathedral. And they did a minimum of damage to it but that place was really flattened. But they had the pipe,

it was there for the buying of it.

NM: So what did you do with this pipe when it arrived in Canada?

EL: Well, the people who had put up the \$2.5 million of course, it belonged to them. I had some of of course, myself, I needed it because we were drilling some wells up in Leduc that needed pipe. So we distributed it and by that time things began to ease up. It took the pressure off of us, I'll tell you, because we were certainly in desperate shape.

NM: What was the name of your company?

EL: At that time? That was Homestead. The three companies that I was mixed up in, primarily Ranchman's, it became New Ranchman's and then Homestead, when we first bought it, it was called Homestead Oil and Gas. Then it went from that to Western Homestead and Western Homestead to Consolidated Homestead and Consolidated Homestead to Canadian Homestead and that's what it finally was sold at, to ICG in Winnipeg, as Canadian Homestead. But you'd have to refinance these things you know. You'd drill a dry hole and you'd run out of money, so you'd have to go out and do what we call an Irish dividend, one share of stock for every five and recapitalize and restructure the capital and go out and raise more money to drill another hole. I had my life insurance, it reminded you of the fellow going to the pawn shop with his violin to get something to eat. But my house and my life insurance policies were forever in hawk to buy more stock to get enough money together to start drilling another well. Unfortunately most of them were dry but I recollect Imperial Oil Company had got a fellow by the name of Bob Curran to come up from retirement. Bob was a young man to have retired but he had been with the Carter Oil Company and Carter Oil Company provided us with quite a few people here, Bill Friley being one of them. Carter was a wholly owned subsidiary of the Jersey Company, Exxon, and when Leduc came in there was just no one in Calgary running Imperial Oil Company or in Toronto for that matter, that knew what to do finding oil they were the great explorers but they never found anything. So they found it, that required an entirely different type of person. So they were borrowing people from Carter and Curran was one of them and Curran came here as the head of Imperial Oil Company in Calgary. Bob and I were going to a football game one day, with Carl Nickle. We were in Edmonton, I'd been drilling a well up in west Edmonton, it was a dry hole. And we were coming back and we were pulling my trailer back and Bob and I were back in the trailer playing gin runny and Carl Nickle was driving the car. The trailers were not as elaborate as they are today, we had a lamp back there to play cards. By the time we got to Calgary Bob said to me, how much oil have you found since you've been here and I said, none. He said, how long have you been here, I said, I've been here about 4 years, he said, you've had nothing but dry holes all that time, I said yes. He said, god you better come by to see me Monday. So I went by to see him Monday morning at 9:00 and he said, Eddy you know, I think that people like you that have been here for 4 years and haven't found any oil can get discouraged and eventually leave. I think the country needs people like you because Imperial Oil Company has to have competition, because Imperial Oil Company was the dominant company.

#183 NM: They were number one.

EL: Oh yes. He said, we have to worry about our image, for fear that if we get too big, too important, the government's going to move in and we're going to have government troubles. I'd like to give you a farm out from the Imperial Oil company that you can find some oil. So he gave me a quarter section from Leduc that produced from the D2 horizon. We drilled 3 wells on it. I'll never forget, the terms of the deal was that we owed him \$10,000 out of 10% of the production, which was a very nominal amount by today's standards. We drilled these 3 successful wells with the then company we had called Pan Western. The money we used to drill it was from the stock we'd sold to the Buckley's. The Buckley's decided that they wanted to take the oil wells and put them in the Sun??? Oil Companies and that's when we had our legal battle with them. That was when D. P. Macdonald was representing the Buckley's. I think that my lawyer at the time was Sam Hellman. The lawyer that we had, Percy Sandford of Sandford and Costello was not a court room lawyer. We never did get to court because. . .

NM: Did you settle out of court?

EL: No, what happened was that Bill Smith, who was Buckley's son-in-law, realized what was happening and he was the Buckley heir apparent and had all our shares and he didn't think that they were treating me fairly so he didn't show up at the meeting and I won the day by out voting them because. . . It was an interesting thing. Of course, some of these stories are a little hazy and I may be stretching the truth in some of them. It's like the old saying, the older I get as a man, the faster I ran as a boy. In any event I remember Bob Curran very well because it was through his generosity with Imperial Oil Company and his long headedness in recognizing - not that I'd made that great a contribution - but I think that people like me, who did come and stay, did make a contribution because there were so many things I participated in. I know that over the years, that I have been the cause of literally millions of dollars being spent. And for the benefit of all, mostly dry holes, I've showed them many places where they shouldn't drill and without that you can't find oil. Is that enough for today

NM: This is the end of the second interview with Eddy Laborde.

Tape 4 Side 2 - Blank

Tape 5 Side 1

NM: This is Nadine Mackenzie speaking, this is the 3rd interview with Eddy Laborde.

EL: After that period where we were commencing to get started and get some production in Canada, after quite a few dry years, we had put together some rather large acreage blocks in Saskatchewan. These blocks consisted of tremendous tracts of land by today's standards, they were about 2 million acres along the western boundary of Saskatchewan, centred in the St. Walburg, Saskatchewan area, then across the southern stretches of Saskatchewan from the east to the west, about 4 million acres, which became known as the Norman Vincent lease. Norman Vincent was a returning soldier who was an entrepreneur and a promoter and had managed to put together these large blocks, which

were reasonably easy to do in those years. They were called permits in Saskatchewan and we had employed, as I said earlier, Dr. Theodore A. Link, who had been the Chief Geologist for Imperial Oil and who had left to commence the Big Bear project for a group that was put together by Frank McMahan and Max Bell. Dr. Link had a theory that the oil in the Athabasca tar sands at Fort McMurray had migrated from around the western boundaries of St. Walburg, I mean from the western boundaries of Saskatchewan and had found their way over into the Fort McMurray area, leaving off deposits in the Lloydminster, Wainwright and Baxter Lake areas of eastern Alberta. Lloydminster in the western boundaries of Saskatchewan. So we elected to put together a syndicate and drill around the St. Walburg area and drilled about 14 dry holes. We had a very bright young geologist by the name of Warren C. Hunt, who was in charge of the operation. Then we farmed out the big block of acreage to the south, to a man by the name of Ernest Funkhauser, who came up here representing Woodley Petroleums. Woodley Petroleums did some work on the 4 million acres and then finally they ran out of steam and farmed out to a company by the name of Southern Production, which I think brought up Ken Germond at that time, if memory serves me correctly and another fellow by the name of Mike Strong, who is very well known in the industry, he is now dead. They took a farm out from Woodley Petroleums and drilled some dry holes on it and then finally it went to Mobil. Mobil at that time was being directed, from a geological standpoint, by a fellow by the name of Walt Hurag. Walt Hurag as the Chief Geologist for Mobil at that time or a geologist for Mobil, finally found success in Saskatchewan and it was the biggest success I suppose and has continued to be that in Saskatchewan, ending up with the partners in the project of, Union Oil Company of California, Union 76 and I've forgotten what Southern Production became but it became another company. And Union 76 got its interest stemming from the Woodley interest in it. Ernest Funkhauser was the man responsible for that. Woodley merged with Pure Oil Company and then Pure Oil Company latterly, merged with Union Oil Company and thus Union inherited the farm out that Jones and I had and had laid to Ernest Funkhauser of Woodley. Ernest was a very clever geologist and an excellent oil finder, probably in the early days one of the better ones. He'd been very successful in the Texas area for Woodley Petroleums and he lived here, moved here, stayed here and died here. Became interested in ranching and bought a block of acreage to farm up around Olds, Alberta. His son and his wife still live here. His other son, who lives down in northwestern United States, became a geologist and I think now is a school teacher down there. The Funkhauser enthusiasm for southern Saskatchewan proved to be, I dare say, one of the most significant things in that period of the 1950's. That led to the final resting place of that permit, what we call the Norman Vincent one to the discovery of most of the oil that is being produced to day in Saskatchewan. The production is still holding up here, in 1984, fairly well. We maintain an overriding royalty and used to swap it back and forth in Canadian Homestead. Every time we'd drill a dry hole in Canadian Homestead and the company would go broke, we'd have to find something new to put it into it, to go out and try to raise some more money and it happened to be that, what we call the Norman Vincent Royalty. We gave half of it to Norman Vincent, who in turn traded it to a fellow by the name of Joe Hershon, who

was quite a promoter in Toronto. Joe Hershon put it into a company that's been very successful called Prairie Oil Royalties. That was the beginning of that company Prairie Oil Royalties which has been a successful company. That discovery is still going on today and there's still wells being drilled all over Saskatchewan. We developed an interest at one time, down in Manitoba and drilled a very prominent dry hole down in I think the area was called Turtle Mountain, down in the southwestern corner of Manitoba. After that they developed an interest in Manitoba by Minnie??? and there was some oil in Manitoba and still being found even today. There are wells continuing to drill. The price of oil has had the most significant bearing on Manitoba, because there was an awful lot of water accompanying the oil that was found there. Manitoba still hasn't developed into a very promising oil country. It's pretty close to the pre-Cambrian Shield and the sediment is not very thick in through there. But with the price of oil being what it is today and the fact that those wells are quite shallow has made it a significant oil producing area.

Governments I suppose have had more to do with the enthusiasm or lack of enthusiasm for drilling in Manitoba and in Saskatchewan, particularly in Saskatchewan because under the socialist government of that period that was. . well, as a matter of fact, Saskatchewan has been socialist almost the whole time that I've been in Canada and it's only in these recent times, has embraced a democratic conservative type of government. Now of course, here in this year of 1984 there are many people moving into Saskatchewan to drill and develop because they have a friendly government who encourages drilling and looking for oil there. I think that we'll probably see, assuming the government continues, a lot of that in the years to come because I think Saskatchewan is still an excellent place to look for oil. I dare say that Saskatchewan and Alberta probably are the two best areas to look for conventional oil left on this North American continent. And certainly, given the political climate are the best places probably in the world to look for oil, for a reasonable outlay of money, a modest risk. The numbers of dry holes that are increasing every year of course, are quite significant because without dry holes you have a difficult time finding oil. That I think has been of major importance to Canada in the development of oil.

NM: So that would be the future, you think of the oil business.

EL: Yes. As of today, I think that most oil people will probably say that this country Canada, Alberta, Saskatchewan and Manitoba and British Columbia, not to be forgotten, are probably the best conventional places to look for conventional oil. In a sensible government climate, where there is civilization and roads, and markets.

#110 NM: Can we talk about key people you worked with?

EL: People that I worked with.

NM: Key people, important people, people who had an influence on your career.

EL: Well, I made reference to Bob Curran of Imperial Oil who was, I suppose one of the earliest contributor to my successes up here, having formed the opinion that there were people like me who were needed in this country, who were wildcatters and

adventuresome and willing to take a risk, that contributed a great deal to my early years up here. In the years that followed there were people that I did do deals with that were of benefit to me and to the companies that I was operating and to the latter successes in Calgary. There were people like Charlie Shock who came up here as the early manager of what was then called Staniland, which was the Standard Oil Company of Indiana's company, which now has been replaced by Amoco. I still know a part of that family. Then in the years that followed Frank Osmond, who became I think, Frank was the first President that Standard of Indiana put in Canada as President of Amoco. I believe I'm correct in that. Frank was of great help to me in those early years. He was a person who encouraged the independents and was beneficial and helpful to them. He was later followed by John Meeker who is still with Amoco. I think John is now President of Amoco International and lives in Chicago. But there were a series of fellows who came up with Amoco and they were most helpful to the independents. Imperial Oil as I stated earlier, and Hudson Bay Oil and Gas Company, which at that time was a subsidiary of Conoco, Continental Oil Company, which now of course, is controlled by Dupont. Going back to people like Wayne Glynn and Lindy Richards and Pearson and Carl Jones, to name a few. The earliest one of that era was R. C. Brown. R. C. Brown now lives in Tulsa. R. C. was I suppose, a very vocal person and very opinionated and had some ideas that were very constructive in the early days. One of his early efforts was to encourage the export of gas from this country. I didn't agree with his early opinions and ideas of selling gas at any price, because gas was, in those early years, was something that we hoped like hell we wouldn't find.

NM: Each time there was too much gas.

EL: Well, yes, but the thing was that if you found a gas well it cost you a little extra money to abandon it and we were abandoning them. But R. C. Brown had some very strong opinions and he was able to convince that most of the people that gas should be exported. I think that you can't pick any one individual and say that they were responsible but it was a combination of thoughts. These people came in from the United States and they were all experienced and they were the ones who helped train the modern day oil man that we have in Alberta. I was one of the few that stayed after immigrating to Canada. There were people like John Galloway with Standard Oil Company of California. John was very cooperative and helpful to the independents. All of them were willing to make farm outs and offer reasonable deals. One of the big things we looked forward to in those years was dry hole money. These major companies would contribute to the independents by the participation of dry hole money if you'd drill on their lands or lands near their lands. After John Galloway retired as President of the California Standard Company or Chevron Standard he was followed by a series of people who were very helpful. L. I. Brown, better know as Charlie Brown was one of the group, George Knox was another who came along. Then there was another garrulous fellow by the name of Brat Gillespie who had been a commander of the United States Navy and a geologist and had been instrumental in the drilling for oil in the war years up around Point Barrow, Alaska for the United States Navy oil reserve fund. He came into Canada and was the operating head of what was then

#182 known as BA, British American Oil. I think BA was later bought out by Gulf. Bart Gillespie was very helpful in those years and participated along with R. C. Brown, with my small efforts to try to drill for oil in the Northwest Territories. We formed a company with a group of New York investors called West Territories Oils Ltd. and had an interesting experience in trying to get land in the Northwest Territories. There were no arrangements, no rules by the government of Canada, these being government of Canada lands as opposed to provincial lands. There were no ways that one could go in and file on these lands, the only thing that the law recognized were mining claims. Mining claims were very specific, the rules for laying out a mining claim was quite specific. You had to cut a line and build a cairn and stake your claim. Of course, cutting lines and building cairns was a very labourious task and one couldn't block out very much acreage on those arrangement and so we hit upon the novel idea, we had a very fine young fellow by the name of Bruce Watson, who is still active in the oil industry today. Bruce was working for me at that time as a land man and I don't know who got the idea, I dare say it probably was Bruce. We wanted to put together a block of acreage in the Northwest Territories for the purpose of looking for oil up there. Since there was no way that we could stake out a large block because there were no rules and regulations to accommodate a person who wanted to do that, we got the novel idea of going up to Yellowknife in the Territories and chartering an aircraft and buying all of the fence pickets that they had in the local lumber yard. We got the pilot and an Indian and we knew generally the lands we wanted to put into a permit. It centred around a confluence of the Liard and Mackenzie Rivers, went down as far east if memory serves me correctly as the Rabbitskin Creek. So we flew over all that land with this pilot and this Indian who could tell the pilot what to fly over. We had written Westrol, West Territories Oil, we'd shortened it to Westrol so it would fit on the fence picket. Then we flew over all this land and threw all these fence pickets out the window of the aircraft. I this it was Bruce, went down to Ottawa and told the government of Canada what we had done and that we wanted to file a claim on those lands and we'd be willing to drill for oil on them. Well, it created an awful lot of confusion with Mr. R. C. Brown, who was then head of Hudson Bay Oil and Gas Company and Bart Gillespie, who was the head of BA, because these two had very quietly been going into the country for well over a year and very carefully and very secretively cutting out these lines that were required for a mining permit, building their cairns and trying to lay claim for all these acreage, which was an impossible task. So they were quite irate when they found out what I had done because there was a bit announcement in the Calgary papers to the effect that a small oil company

#235 NM: And how you did it too.

EL: Well, we didn't mention how we did because we were on a little shaky ground with the government because it was a question of whether they would accept that as a legitimate way to lay claim to oil and gas lands in Canada was the question that had to be decided. In any event we eventually got the land, got the permit and to satisfy the anger of R. C. Brown and Bart Gillespie we worked out a deal where they'd participate with us in the drilling of these wells. We had a sort of very amateurish barge built with an engine in

both ends of it so it could go both ways and put a little D-4 Cat on the barge and small jack up rig and we'd float up and down the Mackenzie River and snake that drilling rig off of that barge and drill a hole on the banks of the Mackenzie River. Needless to say the wells weren't very deep and we didn't have any luck, didn't have any at all. Finally after fooling with this for a period of time, a couple of years, I was approached by Paul Kartski, who was a very good friend and later became President of Shell Oil Company of Canada. Paul was a scientist and he used to kid me about this operation in the Territories, that we were looking in the wrong place and we weren't going deep enough and we were doing what a typical small outfit would be doing. So after having challenged me we agreed to sell out to Shell Oil Company. By that time we had made a division with Hudson Bay Oil and Gas Company, with R. C. Brown and with BA and Bart Gillespie. We ended up with a rather large block, I think we ended up with well over a million acres in West Territories Oils Ltd. Then we were approached by Shell, through Paul Kartski to take over this block because they felt as though we hadn't been drilling deep enough and they wanted to drill a deep test. Our geologist was insistent that there was nothing to drill deep for, they would hit the basement very quick. So it was quite a task to get a drilling rig up into that country, this was up near where the Mackenzie River and the Liard River met, up in the Territories. It took Shell well over a year to get a drilling rig up there because you could only travel in the winter time over ice roads, ice trails. And as they got in a very big drilling rig that would go about 15,000', whereas I think the maximum depth we could reach was around 3,600'. We thought of course, and believed that that was where the basement was, that that was about the end. So sure enough after all of Shell's efforts and all of that, they did bring in the big rig and they drilled about 3,500' and hit the basement and so it was a great joke and everybody got a big bang out of what had happened. But Paul Kartski and I became very good friends in the years that followed. Paul made a great contribution to the oil industry, as I say he became President of Shell and then he had a series of debilitating heart attacks and tried to retire but he went on I think, on the Board of Husky Oil and then died there as a young man. But he made a great contribution to the industry in Canada, an early contribution.

#294 NM: You have been a witness to the ups and downs of the oil industry, can you comment on that?

EL: Yes, I have been. I've seen it go through the booms and busts, from the early days of Leduc. Mind you there were people drilling for oil prior to Leduc. I know that John Galloway was one of our stubborn geologists who always insisted that there was a lot of oil and gas to be found in what we call the eastern irrigation district over around Duchess and Rosemary and Bassano and those areas of Alberta, which they call the eastern irrigation district. John was a great believer in that part of the world. It never has been a great success, there's been a lot of gas discovered over there and a lot of small oil wells. Now of course, with the price of oil being what it is, it's become a rather valuable area of Canada. Of course, there was what is known as the Suffield block, which was a large producing area from shallow horizons. That now today is very, very important because of the price of gas and the price of oil and it was cheap to find, shallow, easy to find. The

sands were quite of a blanket nature. And of course, Medicine Hat, which is in that area and Hatton and then of course, the western edges of Saskatchewan are all in that sort of blanket sand area, producing gas. Not under great pressure, most of those wells have to be pressured up to deliver the gas.

NM: This is the end of the tape.

Tape 5 Side 2

EL: Also north of that particular area, we'll go back to discuss Medicine Hat, which I'm sure that others have made mention of, but Medicine Hat has had gas since the turn of the century, in use, for street lighting and for heating. As a matter of fact, Rudyard Kipling travelled through Canada many years ago and on visiting Medicine Hat, he wrote latterly that Medicine Hat was a city with all hell for a basement. So there's been natural gas there for many, many years and it's been used, used commercially and has been of great help in creating some industries in that area, pottery for an example has been one. Because there's good clay soil there to make use of the natural gas, which is needed in that type of endeavour. North of there, where you get into the Wainwright, Lloydminster, Baxter Lake area of heavy oil, on up into Cold Lake, you find a different type of heavy oil, which was not at all profitable and no one paid a lot of attention to it. The wells around Lloydminster were shallow, had a lot of water in them. I remember I had some in an area called Baxter Lake, which was in that general vicinity. I found out most of that oil in there went right into the engines of the Canadian National Railway because it was of a quality of crude oil that was somewhat like bunker fuel and that's what the railroads were burning in those years. And it wasn't worth a lot of money, I suppose if we could get a dollar a barrel for it we were lucky and it was costing quite a lot of money to lift it because of the amount of water that was along with it. The laws and the rules were not as stringent as they are today about water disposal and a lot of this stuff was just pumped out on the surface to dry up. The price has been one of the most significant things in the oil industry, the price of the product. In those years, certainly those areas were not at all profitable and not spectacular, they were sort of a humdrum area where you knew you could find an oil well but if you found it, so what, it was not profitable to produce it, unless you were close enough to be near the railway track and you could pump it right into the locomotives. That of course, was a limited market. So that particular area has had probably more ups and downs, the only people who really stayed with it was Husky Oil Company, which was mostly responsible to the Nielsen family who put it together. I made mention of the fact that Kartski joined them after he retired from Shell. But Husky had faith in that heavy oil, black oil as we called it, which was used primarily to make asphalt. Some of that oil could come right out of the ground and almost be used to build a road just the way it was. It was very viscous and hard to produce and to move it by tank car or trucks you had to have the trucks heated. There were all kinds of inventions developed to try to make this oil flow so it could be moved from the well site to the refineries. One little refinery sprung up over there which was operated by Jim Williams's father, Jim now being the President and Chief Executive Officer of Drummond. His

father was known as Husky Bill. He came into the Lloydminster area from I think Cowley, Wyoming and put together the first refinery there for the Niensens, Husky refinery. Husky was the only company that really had the foresight to stay with the heavy oil and probably had more producing wells in that general area than any two companies combined or more. And they just stayed with it until finally that type of oil became profitable because of the price factor. It hasn't changed the nature of the oil field at all but the price did.

#048 NM: You were in Calgary at the time of the OPEC crisis in '73?

EL: That year was probably one of the most, the biggest error that I ever made in the oil industry. I had become quite interested in our lack of air services that Calgary had and I had been more or less challenged to become Chairman of the Aviation Committee of the Calgary Chamber of Commerce and changed it completely and put on a group of men who had the same problems and complaints as I had, is that we could get to London, England and back before we could get to Houston, Texas. And we were all travelling to Houston and to Dallas. So we started out, this would be about 1967, and as a result of my enthusiasm for improvement of air travel out of Calgary, I ended up being challenged to go down and go on the Canadian Transport Commission, be on the air committee. And of course, I had to serve on the rail committee too because transportation didn't justify two different bodies, as is the case in the United States, where they have the ICC and CAB, at that time. Interstate Commerce Commission and the Civil Aeronautics Board. So I accepted the challenge and went down to Ottawa, in of all years, 1973. It was the worst possible time because that turned out to be that Canada, Calgary and Alberta and the oil industry had ever seen and probably one of the greatest booms in the oil industry of all time. These things are all relative based on the value of the dollar. But that's where things such as I've just been talking about, the black oil and Lloydminster and those areas and Husky began to get their rewards for having stayed with that type of crude oil. So I was in Ottawa and missed it all. I stayed in Ottawa, I was asked to serve for 10 years and appointed for 10 years by the Cabinet and the Prime Minister. Then some friends persuaded me to come back, after 7 years and go back in the oil business and I couldn't have chosen a time that was more disastrous because I came home right at the advent of the pronouncement of the National Energy Policy, which put us into the greatest slump.

NM: Yes, I was just going to ask you, what do you think of this National Energy Program.

EL: Well, I think it's one of the most disastrous things that any country could have ever have happen to it. It was just unbelievable that a group of so-called intelligent men, even thought they were socialists and in my opinion some of them tend to be a little pinker than that, had perpetrated on a country such as this because if just slowed everything down to a halt. This oil industry in western Canada was like a giant locomotive pulling a great train of success across the country.

NM: And then suddenly because of this National Energy Program, everything stopped.

EL: Everything stopped. Stopped in the east and the west. I realize that there was a world recession taking place at that time. No one ever labelled it a depression who had been through the one of the 30's but it was just absolutely unbelievable. I can't see how

anybody could have planned anything more disastrous. And it just seemed as though that's exactly what it was, one can't help but wonder if those people in the east who planned this thing didn't know exactly what they were doing and that they wanted to stop this progress because the west was becoming quite important to Canada. The financial centres were moving, Calgary came out of it all being the more important financial centre than Montreal even. It certainly is the third most important financial centre, if not the second most in Canada. And all of that was just brought to a screeching halt by some terrible legislation that just seemed to be done by design. And I had the misfortune of going during the good time, when it started, and coming back during the bad times when this business of this Canadianization of the oil industry and this great spirit of nationalism was sweeping the land. I don't know how they were able to convince the people of this country that it was a good thing when one stops to think that the product, the raw material, the resource that is in the ground in Canada is controlled in every possible way by a combination of provincial and federal governments. There's no way that anybody can come in and take Canada's oil and do with it something that would be contrary to the best wishes and interests of the people of this country. Foreign ownership just doesn't have any bearing on it because the government of Canada can still direct where the product goes. And certainly when one with a modest degree of intelligence recognizes that this vast country, which is the second largest land mass in the world, second largest country in the world from a land standpoint and with such a small population and so well endowed with natural resources that those small number of people can no way raise sufficient amount of money to exploit and explore for this great natural resource, not only in oil and gas but in a multitude of other minerals and timber and other things that are available and belong to the people of Canada. So it's just now, under this new government of the Conservatives that hopefully, these new leaders of ours will continue to recognize the problems that these things caused and though they have been elected on the basis that they were going to do something about it, we'll just have to wait and see if they really do. I hope that they will, I honestly believe that they will but how it's going to be modified. It will never get back in my opinion, to the same type of boom that was taking place in '73 following.

#127 NM: What do you think of nationalized oil companies, for example like Petro Canada?

EL: I think that they're a complete disaster, I think that they're absolutely wrong. The government has a tough time being in the post office business, they don't do that very well.

NM: That's right, it doesn't seem to be very effective.

EL: And now they're in the filling station business. It's just sort of ludicrous when you stop to think a democracy here on this continent would get itself involved in pumping gas and wiping windshields and putting air in tires. I know that's a very extreme way of putting it but it's the way I feel about it and that's one of absolute utter disgust. I don't know, probably Petro Canada is too big to break up now but . .

NM: They have a big building now here.

EL: Oh yes, they've got big building and they've got big vacant buildings in town here too

that went down to the boom, the suffered just as much as anything else did with the. . .
And of course, it has no shareholders to report to, so we can't get an honest evaluation of
what they're doing and how they're spending their money.

NM: Have they found oil yet?

EL: I don't know of any oil that they've found quite frankly. They bought into some very
interesting on going situations like when they bought out Pacific Petroleums and. . .

NM: Petrofina.

EL: Bought out Fina and they bought out Atlantic Richfield and tried very hard to buy out
Husky. That was forestalled. So we don't really know. We can tell what Imperial Oil
Company are doing, we can tell what Standard Oil Company of Indiana are doing, we can
tell what Shell and Gulf and Dome and Ranger and these other companies are doing
because they have to report to their owners, the shareholders. These people, Petro
Canada, are owned by the people of Canada but. . .

#154 NM: Nobody knows what's happening.

EL: By legislation they don't have to tell the people of Canada what they're doing. So we
have no idea what their track record is, how clever they are or how stupid they may be or
anything about them.

NM: What were the most exciting experiences in your career?

EL: The most exciting experiences? Needless to say, the most exciting experience was having
a wildcat well come in because that was the name of the game and that's what I like to
think I've always been, is a wildcatter, a risk taker, a gambler. Each time a well would
come in over the years past, I think I got the same thrill out of knowing that we'd been
successful because you're competing with nature. Not with one another, I think I said
earlier, we don't compete with one another to the same degree that you do in the
insurance business or the banking business or the automobile business. The oil industry
has to partner and go with others because the risks now, particularly today, where the
costs are so high, one company is almost foolish to go out and tackle something head on.
So I dare say that the most exciting thing was to have a well come in. I never lost the
thrill of seeing that. The first time I saw one do that, when I was operating in Illinois. In
those years they came in and blew out right over the top and the oil was spewed all over
the landside. But those were the most exciting moments and I think that probably that's
the most exciting thing in the oil and gas industry. That's the thing we all look to and
think about.

NM: And what do you consider your achievements?

EL: I think that my greatest achievement was my contribution to better air services out of
Calgary, probably the thing that I should be remembered for the longest. I don't know, I
participated in so many things, from a civic standpoint I became a real true Calgarian and
a true Canadian. It's always a proselyte who changes sides that always seems to develop
so much enthusiasm for his new love. So as I said earlier I've given Canada everything I
possibly could except my accent. So I daresay that the thing that I'll probably be
remembered for the longest would be my efforts in getting a new airport. Because I didn't
find any particular big oilfield. I found some small things but nothing spectacular like

Redwater or Golden Spike or Leduc or Pembina or any of those things. I can't lay claim to any of those.

NM: What is Drummond Petroleum?

EL: What is Drummond Petroleum? Drummond Petroleum is a small company that got caught up in the enthusiasm of the National Energy Policy and the Canadianization of the industry, after 1980. A good friend of mine by the name of John Davidson, who has been one of my dearest friends for many years, that I had been working with prior to going to Ottawa. John had put together a company called Coseca??? and after that a company called Canadian Natural Resources and he lived on Drummond Drive in Vancouver. John was primarily an insurance man and a very successful entrepreneur and had developed oil and gas interests that were personal and things that would come along that he participated in as an entrepreneur in Vancouver who invested in oil and gas ventures. He took many risks. John is one of the best gamblers that this country has ever seen and he's been quite successful. John had put together a lot of bits and pieces of varying interests that he had acquired over the years into this family company which he called Drummond, simply for want of a better name than the street he lived on, Drummond Drive in Vancouver. I was down in the desert one winter, while serving on the Canadian Transport Commission and John asked me, he'd gotten a little angry because I'd gone to Ottawa in the first place because we were just starting Coseca and Canadian Natural Resources. I had a very dear friend named Bob Bulware and I had put John and Bob together. Bob is a very good scientist, a physicist, who had been President of Canadian Teledyne and a good seismologist and a good oil finder from a seismic point of view. So Bob had retired from Canadian Teledyne and he and John carried on and I went on down to Ottawa, much to John's disgust that I would leave my first love and go down and get mixed up in this avocation that I had developed, namely air services. So after 7 years of being in Ottawa, we met in the desert one winter, the winter of 1980 and John persuaded me, 7 years, you ought to have had enough of that stuff, why don't you come on back and get in the oil business, we're having a lot of fun, everybody's making a lot of money, there's a boom on and why don't you come back and take over this Drummond company that belongs to my family and take my son Harvey. I've known Harvey since he was a boy, he and my daughter went to school together in Switzerland back a number of years ago. And you run Drummond and get back in the oil business. So the challenge was too great and I elected to resign my commission and do so. In the meantime things began to heat up even more and then this National Energy Policy was espoused and John elected to go public with Drummond before I ever got away from Ottawa. Because it took me about 4 months, 5 months, to finish up what I was doing down there. I'd been in the middle of a rather important hearing that had been going on for about a year. Had I not stayed to make the decision and sign it then of course, the whole thing would have had to be reheard. So I stayed until January of '81 but I had announced to the government that I was quitting in October of '80. So I moved my family back to Calgary, we had not sold out home here and I commuted for the last period in Ottawa, which I had done in the outset. As a matter of fact, I commuted the first year and a half that I was on the commission. So in that interim period they decided to go public with Drummond. Then as I say, with this new

found enthusiasm and the enthusiasm of the banks to loan money and hold everybody by the hand every step of the way, which you can't find many bankers who will admit to that today. So many of us raced out and took these American companies out in this great attempt to Canadianize the oil and gas industry. That was another thing that the National Energy Policy caused, which is not . . . certainly the results are very evident when you look at things like Dome and Turbo and Solpetro and Drummond, who were loaned money by banks who were loaning it like a bunch of drunken sailors and oil companies who were being swept up in the same enthusiasm and borrowing it like damn fools to go out and buy up these American companies who were quite willing to get out. Because they, having been in the business a lot longer than we had been, whether they had any prescience of what was going to happen or not I don't know but it was just a great stroke of luck. So we did the same thing in Drummond, we bought out the company called . . . it was a company that belonged to Allied Chemical of Houston and New York, called Union of Texas Oil Company. We didn't pay more than it was worth, we certainly got a real good deal from them. But then the interest rates went up and the price of oil went down and it was a natural result of the National Energy Policy. So everybody found themselves in a real problem.

#291 NM: What is your title in this company, are you President?

EL: No, I came back as Chairman of the Board. Now that I've reached my 70th birthday, I'm just a director, I'm no longer an officer of the company.

NM: Do you have any plans for retirement?

EL: No, I don't think so. I don't know what I would do if I retired. I started off when they work ethic was a lot different than it is today. I formed this partnership with John Stennison and John has a great background in industry, having been retired as President of CP Enterprises and been responsible for most of the accumulation of corporations under the Canadian Pacific system that he had a great deal to do with forming. Chemicals and timber and paper and oil, Pan Canadian Oil is the big ship in the CP Enterprise fleet. So John and I have been finding quite a lot to do, we've been kept very busy and we enjoy each other, we enjoy working together and I think that as long as I can still get up and go down to the office every day. I still like to think of myself as being very young, I think young, act young and feel young.

NM: That's a very good positive attitude.

EL: That's correct, very positive is right because I think we can work out way out of all these problems.

NM: Before I ask you the last question, is there anything I've forgotten to ask you or anything else you want to talk about?

EL: No, I think not. I think that we've certainly covered a lot of the ground in all these ramblings. The only thing I could say is that I still have, despite some of my pessimistic statements and attitudes and ideas, I have a tremendous amount of confidence in Canada's future. If you live long enough you realize that things always come full circle and people get back to their good senses and recognize the importance of practical approaches to business. We have to become aware of the fact that you have to work.

That's one of the thing that so many of our young people are now beginning to rediscover, the importance of work. I think that the impression Reagan has had on the youth has been most beneficial.

NM: This is the end of the tape.

Tape 6 Side 1

NM: And this is the last question, looking back at your career in the oil industry, what do you think of it?

EL: Well, I think that I was very, very fortunate to have been introduced to and exposed to Canada at that point in time in my life. I have no regrets whatsoever about coming to Canada, immigrating to Canada nor do I have any regrets about becoming a Canadian citizen. I think that during that period of my life, when I made that decision, which was a tremendous decision in any man's life or any person's life for that matter, to change one's country and change one's loyalties to his homeland is an important step. As I say, I have no regrets for having done it. This country's been very kind to me, I've enjoyed being here, I've enjoyed working here, I have enjoyed the people that I have met. I don't think the people that I know in Canada are much different than the people that I knew in Louisiana, they go to the same churches, they wear the same clothes, they speak the same language.

#014 NM: It's North America.

EL: It's North America. I never refer to the United States as America, I always refer to it as the United States and I figure that I'm a North American. And as a Canadian I don't know of a finer neighbour. If I could wave a wand and move everybody out of the United States and then pose the question to the Canadians, who would you like to move in, now we've moved those Americans out as you call them, who do you want. Do you want the Germans, do you want the Russians, do you want the Chinese, do you want the Japanese, do you want the French, who do you want? And I think if they all sat down and did a lot of soul searching. . .

NM: They would want the Americans.

EL: In huge numbers, they'd want them all moved back in again.

NM: Mr. Laborde, I've really enjoyed interviewing you, thank you very much.

EL: Well, thank you for giving me this opportunity and I hope somebody reads it 100 years from now.