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The Matador Ranch: Range Operations from Texas to Canada

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The Matador Ranch had its inception in 1879 when Henry H. "Hank" Campbell entered the prairie region along the base of the High Plains and obtained title to 160 acres of land at Ballard Springs in Motley County, Texas. There, along the headwaters of the Pease River, Campbell began to assemble a herd and to acquire land in the name of the Matador Cattle Company of Texas, a corporation in which he had an interest.

Physiographically the area was characterized by series of ridges and plains featuring rolling grasslands and broken, eroded hills. The prairie lands were covered by buffalo and grama, while triple-awn, bluestem and other bunch grasses prevailed in the gullies and on mesquite savannas. On the canyon floors cottonwood, hackberry, willow, wild china and plum were present. With natural shelter, live water and vegetation, the region was ideal for cattle raising. Furthermore, the grass was free.

Under Campbell's guidance the Company prospered so that by 1882 its herds numbering 40,000 head grazed on 100,000 acres held in fee and on an additional million acres over which a peculiar proprietorship known as "range privileges" was exercised.

With the ranch books showing a profit, one of the Company shareholders, Colonel Alfred M. Britton, went to England and Scotland in 1882 to seek buyers for the ranch. His task was not difficult for during the 1870's,—the bonanza years in the western range cattle industry, spectacular returns from investments in America had been reported by British financiers and in 1880 a parliamentary commission had soberly stated that profits of 33⅓ percent could be expected from American ranching. Before the year was over a group of Dundee business men formed a joint-stock company, issued a provisional prospectus contemplating a capitalization of £300,000 and requested a former Dundee resident, Thomas Lawson of Neosho, Missouri to inspect the range. Upon receiving a favorable report the directors of the syndicate increased the capital to £400,000 with 40,000 shares at £10, and entered into an agreement to purchase the holdings,—land, cattle, horses and improvements,—of the Texas company for $1,250,000. On December 23, 1882, the sale was completed and the Matador Land and Cattle Company, Limited, of Dundee, Scotland, went into the ranching business. On that day, the headquarters was transferred from the sunlit prairies of the American Southwest to the chilly shores of the Firth of Tay on the North Sea.

According to the terms of an agreement reached before the sale was concluded, Henry Campbell remained as resident ranch superintendent, Britton became one of the six directors of the Company and served as "Manager" with an office in Fort Worth until 1885 when his connection with the Company was severed; William F. Sommerville, a Scot, went to Fort Worth as assistant manager. In the United Kingdom, the British Linen Company served as bankers for the new organization; James Robertson, Chartered Accountant, was the auditor, and Alexander Mackay, through whose office in Dundee the business of the Company was conducted, was named Secretary. The stock of the Company was disposed of to many persons, factory workers in Dundee purchasing large numbers of shares.

Establishing a well-defined chain of communications and responsibility from the home office through Fort Worth to the ranch itself, the directors exercised the closest surveillance of the ranch's operations. Meeting once a week, and sometimes more often, the Board members expected to receive weekly from the ranch superintendent, *via* the manager's office and through the Secretary, a report on all phases of the Company's interests: the condition of the herd, the weather, livestock prices, important purchases and expenditures. The Board likewise reserved the right to give final approval to cattle and land sales and purchases.

In addition to a weekly news letter the Board required an end-of-month report from the ranch, a report summarizing developments of the previous 30-day period accompanied by the payroll and an itemized list of purchases for maintenance and feeding of stock and crews. Too, at the end of each year the manager filed a report with the Secretary to be read at the annual meeting of stockholders held in Dundee each March. At this meeting the accomplishments of the previous year were reviewed, dividends, if any, were declared, and policy for the forthcoming season was determined.

For the transmission of urgent messages, cable service was utilized. Since this was expensive a code was used; code-books, elaborately prepared, were revised frequently, for not only was the matter of expense involved but security as well. The Matadors never cared to have their neighbors know what they were doing, when and where they proposed to buy and sell, nor the monies involved.

Mackay and one of the directors usually visited the ranch each year, customarily in the fall when cattle were being shipped. Through this procedure a first-hand report of the ranch could be given to the stock-holders at the annual meetings.

To the disappointment of all concerned, profits during the 1880's did not approach the figures anticipated on the basis of the Parliamentary commission's report; they did permit, however, the declaration of a respectable 8 percent dividend at the end of 1883, 6 percent in 1884 and 7 percent in 1885. The cost of purchasing land amounting to some 270,000 acres in the first full year of operation, was responsible for the disappointingly low nets.

A drought combined with the low prices on the livestock market to render the Company's profits too small for a dividend in 1886, and in 1887 the same situation existed. The blame for low prices was placed on the shoulders of the "Beef Ring," Sommerville stating that "a few individuals (in Chicago) whose power of purchase and ease in combining regulate the price of beef cattle elsewhere and prevent wholesome competition."

Under the hammering blows of drought, blizzards, low prices on the livestock market, and the sure closing of the free grass range, numerous foreign-owned cattle companies went out of business during the 1880's. However, the Matadors had come to stay; their directors went into their own pockets to create a reserve out of which they paid for wind-mills, tank-dams and fencing materials. Reluctantly, yet surely, they adjusted to the reality of the times. A modest upturn in prices in 1888 enabled the directors to recommend the payment of 1.6 percent dividend; the importation of Hereford bulls, started in 1883, began to show profits in the form of beefier cattle; and the completion of the Fort Worth and Denver Railroad gave better access to markets and northern ranges.

If the Dundee officials ever entertained thoughts of abandoning their Texas venture during the lean years, there is no record of it in the correspondence. Always there were overtones of hope for better sales in the future; consistently the firm's obligations through the redemption of debentures were reduced; and the ever-present reserve account assured the Company's solvency.

During 1890, William F. Sommerville announced his retirement at the end of the year, and at the same time Henry Campbell resigned. After a prolonged search for a suitable manager, the Directors succeeded in obtaining the services of Murdo Mackenzie, of Trinidad, Colorado, to fill the vacancy. This man,—large, imposing, and full-bearded in his younger days, was born in 1850 near Tain, in the vicinity of Dundee. He had gained experience in Scotland in banking, in stock-raising, and in estate management before coming to America in 1885 as Manager of the Prairie Cattle Company's huge holdings. For the next twenty-one years following 1890 his was the hand that guided the Matadors through lean years and good; in his own career is reflected much of the history of the cattle industry between 1890 and 1940, for after leaving the Company's service in 1912 for a six-year stay in Brazil, he returned to be elected a director in 1918, assumed the managership again in 1922, and retained a firm grasp on the Company's affairs following his retirement in 1937 until his death in 1939 in his ninetieth year.

One of Mackenzie's first acts as manager was the removal of the American office from Fort Worth to Trinidad. This in itself foreshadowed a shift in Company policy toward the north. Placing an old acquaintance, Arthur Ligertwood on the ranch as superintendent and Henry Johnstone in the Trinidad office as head book-keeper, Mackenzie went immediately to the ranch where, in his own words, he found a "demoralized outfit of men." Changes were in order. He instructed Ligertwood to see that none of the men who worked on the ranch was to run his own cattle, that there was to be no card playing on the ranch, and that all hands were to be "strictly prohibited from frequenting the saloon." Responsibility for the enforcement of these orders was placed directly on Ligertwood. The manager next undertook an accurate tally of the herd; this was completed in 1892 and the count was established at 70,000, a "paper loss" of some 27,000 head which was absorbed by writing off £2 per share of the Company's paid up capital.

Unlike Sommerville, who had managed the Company's affairs in America from his desk in Fort Worth, Mackenzie traveled a great deal. In going to Ballard Springs he would catch a night train in Trinidad, be met at Childress the next morning by a buck-board, and arrive at the ranch late in the afternoon. He would spend several days riding over the various pastures, seeing for himself how the work was going, becoming familiar with every grassy flat, each stream and watering place, and the condition of the herd. When he was reminded by Mackay that the Board liked to hear once a week at least from the manager, Mackenzie replied his position was "somewhat different from the late Mr. Sommerville"; that he had been at home only four days during the past month, and that a person who spent his time from 6 A.M. to sundown in the buck-board or saddle had little inclination to write after a day's work. He added in this letter of July 6, 1891, "I have difficulties to contend with which I did not trouble you with, but am glad to think the worst is past. If I had known what I had to go through I never would have undertaken it. My life was threatened on several occasions and even with a good salary a man does not care to take such chances. $10,000 would not be any inducement to me to face another 6 months of the same kind."

It is well known that Mackenzie never carried a gun, and he is reported to have explained it by the statement that he was too large, "No one could miss me."

Over the Board's objections Mackenzie embarked on what he referred to as the "Kansas advertising experiment," a program of shipping several hundred young steers to Strong City, Kansas, for summer pasturage. His idea was not to make a profit on the venture but "to show farmers in Kansas that Matador steers were suitable for feeding." This project was carried on from 1891 through 1898.

The prolongation of another drought in 1892 confronted the Company with another problem, —that of a shrinking range for its great herds. Two solutions were possible; 1. to reduce the breeding herd, or 2. to lease another pasture.

In favoring the latter action contact was made with the Francklyn Land and Cattle Company in 1893 and as a result of negotiations the White Deer pasture of some 250,000 acres lying in Carson and Gray counties was leased to the Matadors at five cents per acre for two years. Leases were renewed biennially until 1902.

As early as 1890 the Dundee board had considered the possibilities of sending its steers to Northern pastures for "double-wintering"; such a practice offered a double advantage since it gave an additional year's maturity to livestock and because cattle were known to put on weight better in higher latitudes. The directors were favorably impressed by a proposal made in 1892 by John Clay, Jr., an official in an Edinburgh syndicate which controlled Western Ranches, Ltd. This proposition called for the Matadors to ship several thousand 2-year-old steers to the Belle Fourche range of Western Ranches for a two-year stay under Western Ranches' riders. At the end of two years the steers would be marketed through a commission house owned by Clay (which accounted in part for his enthusiasm for the scheme). The owners were to pay a dollar a head for the use of the grass the first year, and a dollar a head for each steer delivered by Western Ranches at the railroad at the end of the second year when the herd was shipped to market. Mackenzie saw the dangers inherent in such a proposal and wrote the Board:

> I would have no objections to Mr. Clay grazing our cattle but would not advise the Company to give him full control of selling them; I do not wish to insinuate that Mr. Clay would do anything but what would be to your best interest, but life is uncertain and I would consider it unadvisable for the Company to turn the control of their cattle into the hand of anyone as long as they are Company property.

The Board hesitated, but negotiations with Clay were not broken off, and in 1892 an agreement was reached with Western Ranches providing that 2,000 two-year-old steers would be delivered to the Belle Fourche where they would remain until 1894, at which time they would be marketed. A reservation clause permitted the Company to withdraw its herd after one year should the Directors feel it necessary to do so. Apparently the arrangement met with everyone's satisfaction, for the next year a similar agreement was reached with Eugene Holcomb of Rapid City, South Dakota, and another herd of 2,000 steers went north to graze along Middle Creek, near the Belle Fourche. Since railroad rates were, in Mackenzie's estimation, too high, he decided to drive the cattle and on May 25, 1893, 2,068 steers left the White Deer pasture heading slightly west of true north across the Oklahoma Panhandle and into Southeastern Colorado. At Lamar the Arkansas was crossed; in July the herd entered Wyoming, and in the first week in August Holcomb received the steers. In 73 days they had covered an airline distance of 750 miles and had traveled over 800 miles in so doing. This was the last of the northern trail drives undertaken by the Matadors; railroad rates were reduced and the savings in time and in weight more than offset the additional costs.

Through these undertakings,—one with Western Ranches and one with Holcomb, the Company found itself in the business of maturing steers on northern pastures. From the returns and the balances in the Dundee books, the ventures were successful. Dividends, reflecting profits, crept upward after 1894, from 2½ percent in 1895 to 6¼ percent in 1901.

Among the miscellany of problems with which the management had to contend were wolves, rustlers, nesters, taxation and quarantine restrictions. Each of these was dealt with in turn and on the merits (or demerits) of the case. As settlers moved in to take up vacant lands lying within the range, overtures were made to the Company to sell some of its properties. Neither these offers nor the presence of the town of Matador, established in 1891 after the organization of the county, seem to have influenced Company policy in regard to its lands. Some small purchases were made to provide contiguity of pastures, and some small sales were made when parcels of land were deemed unnecessary for the welfare of the organization. Vacant sections lying within the borders of the range were leased from the State of Texas, but it is rather significant that the amount of land owned by the Company at its original range remained between 375,000 and 400,000 acres from 1883 until 1951.

The first year of the twentieth century saw another turning point in Matador history for in the summer of 1901 the Company had been advised that the White Deer pasture lease would not be up for renewal in 1902; the owners of this land were planning, according to Mackenzie's information, to start a town at Pampa and wanted to reserve the lands adjacent to the townsite to sell to settlers. By January, 1902, the Company realized it had only 6 months in which to secure a new pasture for 12,000 head of its young steers. Luck was with the Scots, for Colonel A. G. Boyce, general manager of the XIT, let it be known that a tract of the Capitol Syndicate's property lying south of the Canadian River in Oldham County was not for lease but for sale. The land originally designated for disposal consisted of the 150,000 acre Alamositas pasture, but when it became known the Matadors wanted more, a portion of the Rito Blanco lying north of the Canadian was added. After investigation and inspection, the Board approved the purchase and in 1902 the Matadors acquired the pasture of 213,000 acres at a price of $2 per acre. The Capitol people were paid in full, the Board in Dundee having borrowed £25,000 secured by a vendor's lien. In June, 1902, the first steers wearing the rounded "V" reached the Alamositas and by the end of the year 17,000 head were grazing along the Canadian.

Hardly was the ink dry on the Alamositas deed than Mackay took into consideration the acquisition of lands in Canada on a long-term lease. Through friends in the Dominion the Secretary learned that grasslands in the western provinces were available in tracts up to 100,000 acres of public domain. Prompted by the knowledge that the Western Ranches' ranges in Dakota were shrinking, the Board authorized Mackenzie to go to Western Canada and examine areas wherein a pasture could be secured. He found, in 1903, an ideal site some 25 miles north of Swift Current, on the Saskatchewan River. He described it as the finest piece of land he had ever seen, with "lakes everywhere, the best kind of blue-stem and grama grass," and "absolutely unoccupied except for geese, ducks and three antelopes."

After two years of delay, during which Mackenzie expressed himself strongly on the subject of governmental red-tape and bureaucratic inefficiency, a contract was signed between the Company officials and the Canadian government in March, 1905. Under its terms the Matadors were granted 50,000 acres of land on the left (north) bank of the Saskatchewan River due north of Swift Current. For this land the Company paid a rental of £200 (about $1000) per year. Subsequent leases gave the Company an additional 150,000 acres.

In June, 1905, the first Matador cattle reached Swift Current from Alamositas; there the Company was to remain for sixteen years.

The period during which negotiations were carried on with the XIT people and the Canadian government was marked by a further deterioration of relations with Western Ranches. This company had, unlike the Matadors in Texas, acquired title to very little land within its range. As settlers pre-empted the choice sites along streams and ponds, the Edinburgh concern found itself with oceans of grass but no water. In consequence, its cattle and those of its lessees suffered. This was much in evidence in 1903 and 1904 in weights of steers sent to market. Too, there was a suspicion in Mackenzie's mind that Western Ranches' hands were not completely dedicated to the task of rounding up every head of Matador stock in the fall of each year, and when the manager learned that the Hansford Land and Cattle Company was negotiating for the lease of several hundred thousand acres lying within the Cheyenne River Indian Reservation, a Sioux reserve in South Dakota, he cabled Mackay asking the secretary to obtain full details from the Hansford home office in Scotland. The upshot of it all was that the Hansford and Matador companies both bid for and received leases on the reservation in 1904. The Matadors received 530,000 acres lying east of the Missouri River and south of the Moreau River in Dewey and Armstrong counties, South Dakota; the annual rental was 3½ cents per acre and the lease covered a 5-year period.

With the acquisition of Alamositas and the Canadian and Dakota leases there developed a pattern of operations which was to be followed for more than twenty years. The original or Motley County division was used as a breeding ground; from here yearlings were shipped to Alamositas where they remained until two years old, thence to one of the northern pastures for two years before being sent to market. Each division,—at Matador, at Alamositas, in Canada, and in South Dakota,—had its own superintendent, its own correspondence file and set of books. From each division reports went to the manager's office in Trinidad and to each went the manager's instructions.

Despite increased costs in shipping, leasing and upkeep, the Company prospered during the first ten years of the 20th century. Dividends rose from the aforementioned 6¼ percent in 1901 to 5 percent with a 5 percent bonus in 1911; during the same period the loan obtained when the Alamositas pasture was purchased was repaid.

One might suppose that Murdo Mackenzie's preoccupation with affairs of the ranch would have prohibited his participation in other activities. However, he found his friends and business associates pressing upon him the need to secure redress of grievances which western cattlemen held against the railroads. As president of the Texas Cattle Raisers Association in 1901 and 1902, Mackenzie was called on time and again to present the western shippers' case to the railroads and, when that failed, to the Federal government. By 1904 cattlemen were preparing for an all-out effort to take before Congress the facts which would support a move to strengthen the Interstate Commerce Commission. When local and regional differences among cattlemen threatened to thwart unified action, it was Mackenzie who, with force yet adriotness, drew discordant elements together to achieve the main goal. With Judge S. H. Cowan of Fort Worth, he went to Washington in May, 1904, to lay before the I. C. C. the cattlemen's case. His trip did little good, yet he learned a valuable political lesson, and upon his return wrote to Henry C. Wallace, the influential Iowa agricultural journalist, that it was a representative from Wallace's own district, Peter Hepburn, who was largely responsible for holding up the bill which was designed to amend the Interstate Commerce Act. Just what Wallace did to remind Hepburn that he was a "representative of the people" is not known but evidently it was effective for the final measure which strengthened the I. C. C. in 1906 and gave it regulatory powers bears the name "The Hepburn Act." Mr. Wallace was a very influential man!

In 1905 Mackenzie was elected president of the American Stock Growers Association, and held the post until 1911. Before accepting the office he wrote the Board in Dundee explaining the nature of the position, detailing the pressures that had been put on him to accept, and summarizing the advantages which might possibly accrue to the cattle industry if a reduction in rail rates could be obtained. He left the decision to the Board. A special meeting of the Directors was called, and after a conference, the secretary sent this cabled reply: "Accept Presidency. Condition Matador incur no expense." In a letter which followed Mackay recommended that the Association "give Mackenzie a paid Vice President or some equivalent officer to do nine-tenths of the work."

In testimony before various Congressional committees and in an interview with the President, Theodore Roosevelt, Mackenzie continued the fight against discriminatory railroad rates. It is related that, upon the occasion of a delegation's appearance before Roosevelt, the President was in an expansive mood and took up most of the alloted time himself; when it appeared the interview was over, Mackenzie said: "You promised me 20 minutes then did all the talking. Now you listen to me." Whereupon he presented his delegation's case. Whether this is true or not, Theodore Roosevelt did come to know Mackenzie and upon the occasion of one of his famous hunts visited Murdo's home in Brazil.

In 1911 there ended what might be called the glorious decade in the ranch's history. Not only had there been additions in land and an extension of pastures to the north, but Matador beeves had carried off blue ribbons in Kansas City and Chicago stock shows, in all categories from carload lots to Grand Champion singles. This was no accident, nor was it a short-term occurrence. Since Hank Campbell's day, the practice of purchasing purebred and graded bulls had been carried on despite the Board's objections. By 1900 the Company had its own breeding herd and was raising its own sires. This herd was dominantly Hereford with a mixture of short-horn blood. The efficacy of this program was apparent as, over the years, prize after prize was claimed at the International Live Stock Show and the American Royal, and what was more gratifying to the owners, premium prices were obtained for trainloads of Matador beeves delivered at the stockyards; consistently these ran from three to four dollars higher than the offerings for other cattle. Too, the year 1911 saw the resignation of Murdo Mackenzie, then 61 years old, who left the Company's service at an age when most men are preparing for retirement. The lure of new lands and adventures was strong in him, and when Percy Farquhar tendered him an offer to manage the stock interest of the Brazil Land, Cattle and Packing Company in South America, the Matador board would not stand in the way of such a promotion and so the Manager, his family, and a number of Matador hands made the move to Sao Paulo. Parenthetically, it might be stated this company owned some 2½ million acres of land, utilized 8 million more, operated its own railroad and packing houses, and ran some 250,000 cattle.

Mackenzie's nephew, John MacBain, who had served the Company since 1898, working at the Matador division and at Trinidad, was named manager; hence there was no change in policy and few adjustments in personnel.

In 1913, MacBain received word from the superintendent of the Dakota range that the Indians were showing a disinclination to permit the renewal of the Company's lease on the Cheyenne River reservation in 1914. It will be recalled that this pasture had first been leased in 1904 for a five year period; in 1909, another 5-year lease was signed. Since the Company was committed to a program of northern feeding, and since this program was a profitable one, the manager immediately began a search for a substitute for the Dakota range. Again luck was with the Company, for by the middle of 1913 permission was secured to lease a portion (400,000 acres) of the Fort Belknap reservation, an Assiniboine and Gros Ventre reserve, in northern Montana. It was determined, after an inspection, that this range was superior even to that in Canada, and a five-year agreement was entered into in the summer of 1913. Here the Company was to stay for 15 years, and here was the last northern grass on which Matador cattle would graze.

The acquisition, in May, 1916, of the Romero pasture from John M. Shelton of Amarillo, and its addition to the Alamositas division, plus two purchases of 7,800 and 3,400 acres in Montana and Motley County respectively, drove the Company's holdings in land to a total of 879,000 acres; this seems to have been the highest in Matador history.

The outbreak of the First World War in 1914 boosted prices of livestock, as it did all commodities. Yet an upward trend in cattle had begun three years before the war. Profits and dividends in 1912 reflected this; from a 5 percent dividend plus 5 percent bonus in 1911, this went to 10 percent dividend plus 5 percent bonus in 1912 to 15 percent and 5 percent bonus in 1916 and a 20 percent dividend in 1918.

With the end of the war, however, income fell and the stockholders had to content themselves with more modest returns as Warren G. Harding's "normalcy" prevailed. Still another postwar adjustment was in the offing,—the surrender of the Saskatchewan lease in 1921. This action was best explained by Mackay in his report to the shareholders in 1922:

> A day came when the Governments of the United States and Canada failed to agree upon a common policy for the import and export of livestock between the two countries, and high duties were imposed. We found ourselves, as it were, ground between the upper and the nether millstones of this tariff policy and had to get out of Canada quickly if a large loss were to be avoided.

The year of the war's end was marked by another event important in the Matador story. Murdo Mackenzie returned from Brazil, took up his residence in Chicago, and was elected to the Board of Directors, the first American resident to hold such a position since Colonel Britton's time. When John MacBain died suddenly of a heart attack in June, 1922, Mackenzie moved to Denver and again assumed the managerial reins, holding them until his retirement in 1937.

To offset the loss of its Canadian pasture in 1921, the Company leased 300,000 acres of the Pine Ridge Indian Reservation in South Dakota; disappointingly, cattle wintered on this fine-looking range failed to put on the weight expected, and in 1925 the lease was surrendered.

With two developments,—the loss of the Canadian pasture and increased thievery,—a third factor combined to cause a major shift in Company policy during the 1920's; this one, no amount of insistence or negotiation could influence: it had to do with a change in taste on the part of the American meat consumer. By 1925 this was noted, and while it was felt that as long as Europe remained a market, heavy, mature beef cattle could be sold. However, the raising of tariff walls and the differences in exchange rates following the war closed off foreign markets; in the United States, the business recession of the early 1920's forced consumers to buy smaller cuts of meat. In consequence, people had gotten used to "baby beef," and the demand for mature steers declined by 1925. To see if this was a whim or a permanent change the Company held on to many of its older steers, but when it became apparent the preference for younger meat was a fixture in the American diet, the northern ranges were vacated and when the Montana lease expired in 1928 no effort was made to renew it. The only remnant of the Company's interests outside

Texas was a small tract of several thousand acres owned near Malta, Montana. Here a brief experiment in sheep-raising was conducted, but not enthusiastically, during the 1930's. Following 1928, the bulk of the stock marketed went as 2-year-olds.

The withdrawal to Texas in 1928 was accompanied by the purchase of still another pasture of 47,000 acres adjoining Alamositas on the north. Had the retrenchment been made without the burden of paying for this last addition, the Company might have weathered the depression without support from the outside. As it was, the collapse of the Wall Street stock market in 1929 marked the beginning of genuine "hard times"; low prices on the livestock market and the drought which blighted both ranges thrust income below operating costs during the lean years, 1931-1935. For the second time in the 20th century outside aid was required and a loan of a half-million dollars was obtained from the Southwestern Life Insurance Company of Dallas in 1934; the notes—two in the amounts of $200,000 and $300,000, —were secured by a lien against the Alamositas pasture, a 394,000 acre tract. The year 1936, marked by the death of Alexander Mackay who had been the Company's secretary since its inception, saw an upturn in business fortunes, a trend which continued through 1939 when the loan was repaid.

In 1937, a year after Mackay died, Murdo Mackenzie retired as General Manager and was succeeded by his son, John, who had been associated with the ranch since his boyhood, except for a 12-year stay in Brazil.

The onset of the Second World War curbed somewhat the Company's activities, but not its profits. Operating its two divisions, short-handed at times after the United States' entry into the war, the Matador owners saw income, dividends, and taxes rise to new heights. Proceeds from cattle sales alone went above the million dollar mark in 1945 and remained there through 1950. Dividends rose steadily through 1950, when they amounted to 50 percent in the following form:

an interim dividend of 10 percent
an interim bonus of 5 percent
a final dividend of 20 percent
a final bonus of 15 percent.

In view of these declarations it came as something of a surprise when, late in 1950, news releases originating in San Angelo, Texas, gave the first public announcements of the proposed sale of the Company's stock. Despite denials by some of the Company officials, the reports persisted. As early as the middle of November, 1950, prices of Matador shares on the London exchange began to rise to the extent that trading in these shares was halted at the request of the Board chairman. The finding of oil several miles from Matador ranch land was credited with inspiring the upward surge, though the only known completion was miles away from the ranch in Dickens County.

In February, 1951, the Company sent out to shareholders a short report dealing with the approach made by American interests for the possible purchase of the whole of the shares of the Company. On June 16, the first official Company public release was made to the newspapers; it stated that Lazard Brothers and Company, Ltd., on behalf of themselves and a number of American corporations, had made an offer of $23.70 per share for all the 800,000 outstanding shares of the Matador Land and Cattle Company, Ltd.; the offer was conditioned upon acceptance by holders of 90 per cent of the shares. By the end of July the offer was accepted and the transfer took place on July 31; the land involved in the transaction included over 400,000 acres at Matador and 394,000 acres at Alamositas, plus the Montana land. Approximately 47,000 head of cattle went to the new owners. This was not a purchase of the property; it was a purchase of practically all the shares of stock in the corporation.

The former shareholders organized a new corporation, the Toreador Royalty Corporation, to which Matador conveyed an undivided one-half of the mineral rights; shares in the new concern, incorporated July 16, 1951, under the laws of the State of Delaware, were issued *Pro rata* to the former Matador shareholders.

It is natural that one knowing of the wholesome income and high dividends such as those declared in 1950 should wonder about and ponder the factors which prompted the shareholders to part with their interests. Undoubtedly taxation was an important item, for profits were subject to a double levy, from the British and United States governments. Taxes in 1950 took 9 shillings out of every pound sterling of the Company's profits (the equivalent of $1.26 out of every $2.80), before dividends were awarded; then each individual's income was subject to an impost. An inquiry, so worded as to make it inoffensive and put to two of the directors, brought these replies: from John Mackenzie, "I suppose each shareholder had his own reasons for selling"; and from Harry P. Drought, "the factors which prompted the sale must have been factors personal to each individual shareholder and not to the Company itself; it might be safely assumed that the principal factor was the price offered for the shares." Let us look at the figures: each of the 1,200,000 authorized shares was valued at 5 shillings (or 70 cents) to make up the authorized capital of £300,000 (1951). Of these, only 800,000 (or two-thirds of the total) were issued. These 70-cent shares were bringing $6.50 on the

London exchange in 1949; when the shareholders were offered $23.70 in 1951,—three and a-half times the exchange price two years before, and thirty-four times their capital value, it is little wonder they sold. An added advantage to shareholders resident in Britain was the permission granted them to reinvest their proceeds in American securities, since they were paid in dollars.

When the liquidation process began in 1951, the last of the great foreign-owned cattle companies in the United States devoted exclusively to the production of beef disappeared. Its history was unique in several respects; for one, the fact of its survival to the middle of the twentieth century; for another, it experienced, in its career, the same vicissitudes that brought elation and dejection, success and failure, pride and humility, to other organizations of its kind; yet it persisted.

In retrospect, then, "four stable features stand out . . . on the balance sheet of the record: a knowledge of good land, a reliance on the best-bred cattle, an ample source of reserves, and a sound tradition of business management."[1] To this might be added the character of the men who managed the American properties, Henry Campbell, Murdo Mackenzie, John MacBain and John Mackenzie.

A fitting conclusion is this excerpt from a letter written on August 28, 1951, by Harry P. Drought to James Wright, another one of the directors in Scotland:

And so the great Matador Company is going into voluntary liquidation. I consider myself very fortunate to have been a part of its fine organization. Regardless of how advantageous to the shareholders the sale may have been, there are many heartaches caused by this conclusion. The Company, however, will live forever in the history of the Southwest. We were connected with a cattle empire and our pride in it outweighed our desire for profits.

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[1] *J. Evetts Haley, Heraldry of the Range (Canyon, Texas; 1949), p. 22.*