

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Louis Lebel

INTERVIEWER: Nadine Mackenzie

DATE: August 10, 1983

NM: This is Nadine Mackenzie speaking. Today is Wednesday, the 10th of August, 1983. I am interviewing Mr. Louis Lebel. Mr. Lebel, when and where were you born?

LL: I was born in 1918 in Langais???, which is a suburb of Montreal.

NM: What brought you to Alberta?

LL: My parents were in the west before the First World War and after my father got out of the army in 1918, they decided to move back west. So they had been living in Winnipeg before the war but after the war they decided to go further west and settle in a small town called St. Paul, northeast of Edmonton.

NM: What did your father do?

LL: He was a lawyer.

NM: So where did you go to school?

LL: I went to school in St. Paul to start with and then I took a classical course with the Jesuits and got my Arts degree from Laval University and following that I took my law at the University of Alberta.

NM: What made you decide to go into law, because of your father?

LL: No, I felt that law was probably the best background for a business career and actually after I took law I realized that I didn't have everything I needed so after the war I went to the Harvard Business School. The combination of law and business I thought was a pretty good combination and it did turn out very nicely.

NM: Do you have brothers and sisters?

LL: I have one brother who died just last week in Edmonton and one sister, who is also living in Edmonton.

NM: Was your brother also in business?

LL: No, he never did go to university.

NM: Tell me about your career as a lieutenant in the Canadian Infantry Corps?

LL: Well, I spent a little over three years in the Infantry Corps. Most of my work was involved in inquiries and courts martial. I was involved in some of the investigations of the riots in Halifax and matters of that type.

#034 NM: Did you stay mainly in Canada or did you. . .

LL: No, I stayed in Canada, right.

NM: And you spent three years. And after that what happened?

LL: After that I went back to Edmonton and I had not articulated after finishing my law so I articulated for a year in Edmonton and I was admitted to the bar and it was following that that I decided to go back to Harvard Business School.

NM: Were there a lot of lawyers at this time?

LL: Oh yes, in 1946 there were a very large number of lawyers who were just coming out of the Armed Services. So it was very difficult to find employment at that time.

NM: And you decided to go to Harvard School of Business, can you tell me a bit more about it?

LL: Yes, the Harvard Business School is probably the most famous school of business in the world and I found it very challenging, not only from the point of view of the academic staff who are real top notch but also from the point of view of the students there. Our class, because of people coming out of the Army was much older than previous classes. I think the average was somewhere around 30 years old which was very high, but we had retired Admirals and Generals, we had people from all over the world.

NM: Was it a course for one year?

LL: Yes. My father died in 1948 and that's when I came back and started working.

NM: Was it a full time course, going every day with exams?

LL: Oh yes.

NM: Very competitive?

LL: Yes, very, very much so. As compared to the other programs that Harvard has as well as other universities, you probably noticed on my resume that I did go to Stanford later on a took a 2 month course, which is more of a refresher course than anything else. But it's the same type of course.

NM: After leaving Harvard then, what did you do?

LL: It's an interesting situation because I had to come back home and go to work, so I started working for two companies, as a broker. One was Chevron Standard as we call it today and the other was Amoco.

NM: Two big companies.

LL: Two big companies.

NM: And you were working for both of them.

LL: Both at the same time, as a broker.

NM: As a broker, part time?

LL: Oh yes. They would each give me assignments, mostly in the area of searching titles and leasing. This lasted for about 8 months and one day I was asked to go out and take petroleum natural gas leases in the same area for both companies so I had to make up my mind. I received offers from both companies and I decided to go with Chevron. So I started working full time with Chevron in September 1948 and I stayed with them until I retired 3 years ago.

#074 NM: At the time you were working with Chevron, did you have any knowledge of oil and gas?

LL: No. I had my legal training and my business training and that was all. I had never done any work in petroleum and natural gas before.

NM: Can you tell me a bit more about Chevron?

LL: Well, Chevron is a wholly owned subsidiary of Standard Oil Company of California and its head office is in San Francisco. They started working in Canada in the early 30's, as a

subsidiary of the parent company in the States and most of their work at that time was done in eastern Alberta, southeaster Alberta, in the Brooks area. Then in the late 40's, after Leduc was discovered, which is when I started with the company, they decided to branch out and they embarked on a very extensive program of picking up leases and permits and concessions throughout western Canada. For the first 4 or 5 years of my work with Chevron I spent in, just about all parts of Alberta, all parts of Saskatchewan and southern Manitoba, picking up leases. This was the first go round in leasing, there have been very many since. The idea was to try and accumulate as much land as possible for as little money as possible. In order to beat out your competitors you had to try and do many things, you had to hire as many landmen as you could to go out and pick up leases. At times you had to use your imagination and use methods that were perhaps a little hard. I can remember one incident in Manitoba, in the winters of 1949 and 1950, where there was so much snow that you couldn't get around the southwestern part of Manitoba. The only way you could get around was using what we called Bombardiers, who were made by the Bombardier company in Quebec. In order to prevent other companies from using Bombardiers we actually leased all the Bombardiers that were available and even though, we couldn't use them, we just put them in warehouses and let them sit. We didn't but other companies used small planes to get around, planes that could land in snow fields. So it was quite an interesting experience to have lived during those early years, or worked with a company like Chevron during the early years of the oil industry in Canada.

#115 NM: Did the discovery of Leduc have any impact on Chevron?

LL: Oh yes. The oil discovery in Leduc had a terrific impact on the entire industry in North America because it was the first time that any oil had been found in what we refer to as the Devonian formation. It triggered off a degree of activity that has never been seen since. Of course, the first step is to pick up land so that you can have a land position and then in addition to that, the companies did an awful lot of seismic work and surface geology and gradually expanded into other areas, such as the north country, northern Alberta, the Northwest Territories, Yukon and even as far as the Beaufort Sea.

NM: Was there a big staff at Chevron at the time?

LL: At the time, no. The staff when I started, perhaps there were 30-40 people and today there are probably 1,000.

NM: Who hired you at Chevron?

LL: Mr. Galloway hired me, John Galloway who passed away just 3 or 4 years ago. He was then the top man for Chevron in Canada. And he was succeeded by George Knox who was President of the company for many years and George Knox was succeeded by Charlie Brown and then Bill Bristoe and then just a few years ago, Jerry Henderson became President. He's the current President of the company.

NM: Where was your office at the time in Calgary, in '48?

LL: In the early years, in the 40's the office was in the Greyhound building and then in about 1950 they moved to the Medical Arts building and they had the top 3 floors, 4, 5, and 6, in the Medical Arts building until about 1962, '63, when they moved into the Chevron Building at the corner of 5th Ave. and 3rd St. And then just about 2 years ago they moved

into another new building at the corner of 5th Ave. and 4th St.

NM: Was Chevron doing a lot of research in oil and gas?

LL: Yes. Chevron has been one of the most successful companies in the business and I think the reason for this is precisely the research that they did, especially in the area of geophysics. It's quite interesting that the two largest discoveries that have been made in the last 10-12 years in Canada were made by Chevron. One was at west Pembina and of course, the other one was the Hibernia discovery, offshore east coast. I think both of those discoveries can be attributed to the superiority of their seismic work. Their ability to see these anomalies where other companies didn't appear to be able to see them. Because in both cases they farmed in land from other companies and obviously the other companies, if they had saw something would not have farmed out to Chevron. But that's been one of Chevron's real strong points over the years, has been their technical ability.

#165 NM: Where did they recruit their personnel at the time?

LL: For the company or for research?

NM: For the company and for research both.

LL: They recruited all over, all over Canada I should say. There were 2 or 3 times during the last 35 years when there was such a shortage of technical personnel that they actually did quite a bit of recruiting in Europe and today you will see quite a few Europeans working for Chevron who were recruited that way. Of course, today it's a different question, there are a lot of technical people that are driving taxis and can't find work.

NM: Absolutely, that's the situation. How long did you stay with Chevron?

LL: I was with Chevron for 32 years.

NM: And then you became Vice-President and Director in '57.

LL: Right.

NM: What was your work as a Vice-President?

LL: Well, my work to start with was primarily in the area of land acquisitions. And the nature of land acquisitions changed over the years because as the available land became taken up by all the different companies who were operating in the business, in order to acquire land quite often you had to negotiate with other companies and that became a large part of my work.

NM: Was it interesting?

LL: Oh yes, it was very interesting, to put land blocks together in order to create a drillable block of land. And there was a lot of negotiating that went on because everybody tried to make the best deal of his company. There was also a lot of negotiating with the various government, especially the federal government in Ottawa. And that ended up, I would say the last 10 years that I was with Chevron about 90% of my work involved government relations. Of course, the various governments have changed over the years and they have become much more aggressive and today the governments control the oil industry so tightly, there are so many regulatory bodies, so many regulations and acts that your relationship with the government is becoming increasingly important. It's a fact of life today, you just have to live with government.

NM: You have no choice.

LL: And had no choice, no.

NM: That's right. At the beginning when you were working with Chevron did you come across problems with the environment?

LL: With the environment, no. In the early years it was a very pleasant situation because we did have environmental problems, I can remember some of these problems, let's take in Alberta here where there were problems polluting farmers water wells. But these matters seemed to be settled very, very quickly. Usually the way they were settled is that somebody, for instance the Deputy Minister, Mr. Hugo Somerville and I would go out to the farmers place and we would just sit around and talk for an hour and at the end of the hour we had decided on how to solve the problem.

#215 NM: Were you giving him money back if he had lost some cows or something like that?

LL: Oh yes. And usually a man, I'm using Mr. Somerville's name because he was a very astute person and a very practical man and he was Deputy Minister then and he tried to be as reasonable as he could with both sides. So usually if Mr. Somerville suggested that a matter should be settled on such and such a basis we agreed. Another example was up in the north country. Chevron was one of the first companies to operate in the Yukon and they did a lot of work in what is called the Eagle Plains area. I can remember cases there, for instance you wanted to get our rig out so that it wouldn't get caught there during spring break up and have to pay standby time for the rig while it wasn't being used. There were cases where companies left a bit of a mess but here again, government officials flying over the area would spot something like this and they would get in touch with the company and the companies reacted very strongly in trying to comply with the requests of these government officials. And in some cases, I remember, Chevron if they had planes in the area would help other companies clean up their messes because it's expensive to rent planes. And things like leaving empty gasoline drums in, well, if somebody was flying near there they would stop, usually it was beside a lake and if they had some space on the plane they'd pick up 2 or 3 of the drums and take them out.

NM: So that was good public relations.

LL: Oh yes. So in the early years these ecological problems were settled on a very practical basis but today it's a different story.

NM: You must have seen the change as the years passed?

LL: Oh yes. The change has been a gradual change but it's been a very radical change if you look back at the early 40's and then look at the 80's. It's too bad in a way because I think the old system could still work but I guess governments don't work like that anymore and they've saddled the industry with an incredible number of new regulations, new bodies to deal with, new permits to get. I'm not so sure that it's more effective than it was in the old days.

NM: You can spend a lot of time. . .

LL: Oh yes. In the old days, if we wanted to get a drilling permit, in many cases if we knew the people and they had confidence in us we could get a drilling permit by phone and then do the paper work afterwards. Now it can take months sometimes to get a drilling permit.

There is a waste of money because quite often you finish one well and you'd like to move that well somewhere else and you can't do it as quickly as you would like to do it so there is a piece of equipment sitting there doing nothing while you're trying to. . .

NM: So it's a waste of time and a waste of money.

LL: That's right, yes.

#272 NM: ??? about your work as a Vice-President when you were doing some land acquisition negotiation. What else did you do?

LL: There was the government work that I did in addition to the land acquisition which became a very large part of my work. But in addition to that, as one of the Directors and Vice-Presidents I was a member of the management team. We had a President and there were 4 Vice-Presidents, the three others were the Vice-President of Finance, the Vice-President of Exploration, the Vice-President of Producing.

NM: Can you give me their names?

LL: For most of my tenure with the company the Vice-President of Exploration was Dr. J. D. Weir, who is now retired and the Vice-President of Producing was Swede Swanson, who's also now retired and the Vice-President of Finance was Howard Nicholson who passed away a few years ago. The four Vice-Presidents and the President constituted the management team. So that part of our duties were to meet as a management team and discuss the various problems of the company, not just land but all problems of the company, whether they be financial, geological, geophysical, producing, whatever.

NM: So that was relations with the government of Alberta and also with the government in Ottawa.

LL: Ottawa. And then Saskatchewan and British Columbia. Manitoba, Chevron was very active in Manitoba so we had a lot of dealings with the Manitoba government too.

NM: You stayed with Chevron until '57?

LL; No, I became a Vice-President in '57.

NM: And Director?

LL: I became both the Vice-President and Director in 1957. And I stayed a Vice-President right until I retired.

NM: Why did you elect early retirement from Chevron Standard on October 1st, 1980.

LL: I had been with the company for over 30 years.

NM: That's a long time.

LL: Which is a long time. And I actually decided to take early retirement about 5 years before I actually took retirement and the company knew that I was going to retire early. So my successor was selected a long time ahead of time and I phased out my work with Chevron. I had always been very active in the community but towards the end I decided to get more involved. I guess one of the biggest assignments I had was when I was elected Chancellor of the university.

NM: End of the tape.

Tape 1 Side 2

- LL: When I decided to let my name stand for the Chancellorship of the university I was still working for Chevron and this was about 2 years before I had decided to retire. So the arrangement I made with Chevron was that I would stay with the company until October 1st, 1981 but I would spend half my time at the university. That was fine with them, that was no problem. Plus the fact that I was financially independent and I wanted to do a lot of other things that I had never had an opportunity of doing when I was with Chevron, mostly because of conflicts of interest. The things that I have been able to do since then, I think indicate the type of thing that I was talking about.
- NM: How did you become Chancellor of the university?
- LL: I was on the Senate for the university for about 3 or 4 years and the Chancellor at that time was Muriel Kovitz and when her term expired I was asked to let my name stand which I did after consulting with Chevron and my family. There were of course, a number of other candidates as well and as it turned out when the election occurred I was elected.
- NM: I remember being there ??? How long did you stay with the university as a Chancellor?
- LL: The university's act specifies that the Chancellor's term is a term of four years and it's not renewable. Custom has it that once you have been Chancellor for four years, after that you sort of disappear from the scene and you do not hold another office at the university.
- NM: What does a Chancellor do?
- LL: The Chancellor's main job, in addition to the ceremonial functions is to represent the public interest on the campus. The President is in charge of all academic matters and the Board of Governors has the responsibility for all financial matters and the Chancellor and the Senate are the people who worry about the university fulfilling what the community wants it to fulfill. It will get involved in quite a few controversial matters and it sort of acts as an ombudsman in a way.
- NM: So was your business experience very useful?
- LL: Oh yes, it certainly was. The Chancellor is a member of the Board of Governors so there is an opportunity there for as much input as the Chancellor wants to in terms of the financial matters that affect the university.
- #049 NM: What did you do after the post of Chancellor of the University of Calgary?
- LL: During the year or so prior to my leaving Chevron I knew that I was retiring and the date had been set and I did have the opportunity of becoming a Director of a Crown corporation called Canadian Arsenals, which I did. I also had the opportunity of becoming a Director of Imperial Life in Toronto.
- NM: What is Imperial Life in Toronto?
- LL: Imperial Life is an insurance company. It's not the largest insurance company in Canada but it would rank in the top 10 or 12. That has been an interesting experience because I didn't know the first thing about life insurance. And the insurance business is different, it's completely different. They are subject to separate laws and it's been a very interesting and satisfying experience. And I'm still with Imperial Life.
- NM: It seems that everyone is in good use of your business experience.

- LL: And then I also, after I retired I had the opportunity of becoming a Director of Norcen Energy Resources Ltd., which is one of the large independent power companies. As you probably know that company is controlled by the Black brothers and the Black brothers are very interesting people and I enjoy my work with Norcen. It's a very aggressive company and there's never a dull moment.
- NM: Why is that?
- LL: The Black brothers are very creative and they want to turn the company into a large Canadian corporation, it is Canadian controlled and it's interesting to work in that environment.
- NM: So do they make decisions very fast, all the time?
- LL: Oh yes, very fast. and of course, that creates a problem for the Directors because one of responsibilities of the Directors is to make sure that all the procedures that should be followed are followed, that the companies does not take unnecessary risks. The responsibilities of Directors are greater now than they were. The Company's Act imposes on them certain responsibilities that did not exist 10 years ago or more. And then in addition to those three, I had been involved with Calgary Cable Television since its inception. Bob Price and I had actually made application for the franchise back in the early years and although I sold out my interest in the Calgary Cable TV I remained on the Board and I'm still associated with the company. So that's 4 and then in Montreal I was asked to go on the Board of ???, which is a Trust Company and I have been on their Board for close to 3 years now.
- #086 NM: And they have a branch here in Calgary.
- LL: Yes, they have a branch in Calgary, right and the Board is coming here in September. It will be their first meeting in Calgary ever. Let's see there's one other, oh yes, a construction company in Edmonton, Carlson Construction. So those are the Directorships that I have. Now there was another little business venture that I got into immediately after retiring and that is that there is a young economist by the name of David Sprim, who is a real top notch economist, very sharp, who was with the Department of Energy, Mines and Resources in Ottawa and when I retired he decided to leave the government and on I guess it was the 1st of January following my retirement we started a little consulting company called Scrim, Lebel and Associates. We have offices in Ottawa and we operate mainly in the area of economic analysis and a little bit of government relations. It has proved to be a very interesting experience too although my function with the company is only to act as a Calgary representative, although I have an interest in the company.
- NM: So do companies come to you to ask you for your advice on economic matters?
- LL: Oh yes. And we go to them too of course, and tell them what we can do for them and if they're interested, fine. But Scrim works full time for the company and he's President. I have an interest in the company but I'm not on the payroll. I didn't retire to go back to work full time, but that has been a very interesting experience and continues to be.
- NM: You were appointed Queens Counsel in 1979, can you tell me a bit more about it?
- LL: That was a very interesting situation because number 1, very few lawyers that do not practice law become Queens Counsel. And I had been of course, with Chevron for 32

years. The second thing is that Queens Counsel is a provincial appointment and I was not known to be a very strong supporter of the Conservative government in Alberta so . .

NM: I'll ask you a question about that later.

LL: I honestly did not expect it at all. I think a lot of people, in addition to myself, were very, very surprised when I received it. I subsequently found out that the appointment had been made with the support of quite a few Cabinet ministers and Mr. Lougheed himself, so I felt pretty good about that.

#125 NM: When did you become involved with Dome Canada Ltd.?

LL: I was approached by Dome in the fall of 1982 asking me whether I would consider taking on the Presidency of Dome Canada. Of course, I was reluctant because I didn't want to go back to work full time but I was assured that because of the contracts that exist between Dome Pete and Dome Canada that this would not be a very demanding job, that it would involve mostly protecting the interests of the independent shareholders. So after looking at the agreements that are in effect between the two companies, especially the management contract, Dome Canada only has about 5 or 6 employees, all the administrative work, all the exploration, producing work is done for Dome Canada by Dome Pete on a contract basis.

NM: Why is there two companies going under the same name that seems confusing?

LL: No, the reason for the two companies is very simple and that is that Dome Pete does not qualify for the incentive grants that are given by the various governments, especially the Alberta government and the federal government, because of the Canadian content is not high enough. So in order to get around this problem, Dome Pete organized Dome Canada and obtained money from the public through a share issue in the spring of 1980 and they raised close to a billion dollars. Except for the shares that are owned by Dome Petroleum, which is about 48%, the other shares are all owned by Canadians. So that the federal government and the provincial government did agree that under the circumstances Dome Canada would qualify for the maximum amount of incentive grants. This is very important to both Dome Pete and Dome Canada because for instance, in the Arctic and the Beaufort Sea, some expenditures qualify for up to 80% grants from the federal government. So that if you have \$100 million program and you get \$80 million back from the federal government and you put up \$20 million yourself then it becomes a very significant matter. And that was the reason why Dome Canada was started. However you can understand also that because of that there can be conflicts of interest between Dome Pete and Dome Canada. That's why Dome Pete has tried to appoint Directors who are completely independent of Dome Pete. And the reason why they asked me to take over the Presidency is precisely because of that conflict of interest, Bill Richards was President of both Dome Canada and Dome Pete and it was felt that this. .

NM: It could be very difficult.

LL: But it could represent a conflict of interest and so Bill Richards resigned as President and I took over as of January 1st of 1983. Now since January 1st, our main concern as a Board of Dome Canada has been to renegotiate our arrangement with Dome Pete and we've been doing that during the last few months. The new arrangement came into effect on

July 7th, about a month ago and it involved quite a few changes. Some of the most important ones are that Dome Canada will earn a larger interest in Dome Pete lands when they drill on their lands. There is a budget process which is much more elaborate than the previous one, that gives the Directors of Dome Canada more control over the destiny of the company. And the amount of land that is involved in the agreement between the two companies has been increased significantly. Now in addition to that the Board has adopted policies that I think are very sound. One of the principal ones is that they will not borrow money for exploration purposes. We have worked out a tentative budget for the next 3 years. Because of the fact that we didn't have enough money to satisfy Dome Pete's requirements, Home Oil was brought in as a partner in exploration. The result of this arrangement with Home is that Dome Canada will be able to finance its next 3 years budgets utilizing cash flow and utilizing the resources that it has at the present time, such as the hundred million dollar debt that Dome Pete owes it and the roughly \$150 million worth of shares in Trans Canada which is will probably sell. So Dome Canada is in a position now where they can pursue a very aggressive program during the next 3 years without having to borrow any money.

#211 NM: Fantastic. Can you tell me a bit about Dome Petroleum, who started this company?

LL: This goes back to roughly 1950 or '51. John Gallagher had been working in the oil industry a little bit all over the world including the Middle East and South America and he decided to come to Calgary and start a company, which he did and that company is today known as Dome Petroleum. There is a very close association of course, between Dome Mines and Dome Petroleum and Dome Mines has always had a large interest in Dome Petroleum. Jack Gallagher is a very aggressive, a very determined, a very imaginative chap. He's also a workaholic. He's quite capable of working 16 hours a day, 7 days a week. I would have to say that I think Jack Gallagher is probably one of the greatest Canadians in the oil industry. What Dome Pete is today is thanks to Jack Gallagher. Even though Dome Pete has been running into serious financial problems in the last few years, I still think it's one of the top Canadian business institutions and once they solve their financial problems, I'm sure that the company will carry on and become what it was prior to its financial problems. What they did basically is just over extend themselves, the way an awful lot of companies, especially development companies, real estate development companies that is, have done.

NM: By the time they didn't realize that the interest rates at the bank would go higher and higher.

LL: That's right. No, nobody expected the interest rates to go as high as they did. But quite apart from that I still think it's a great company and it will continue to serve Canada as one of its large industrial empires.

NM: It was started in Calgary as a very small company.

LL: Right, as a very small company.

NM: When was it?

LL: In about 1950, '50 or '51. I'm not sure of the exact date.

NM: And Jack Gallagher was the founder?

LL: Jack Gallagher was the founder of the company, right.

#257 NM: How do you foresee the future of Dome Petroleum?

LL: Well, of course, I'm prejudiced. I think the Dome empire is a great one. They have hired a new Chief Executive Office, who's background is finance and I would have every expectation that Dome Petroleum will succeed in solving its financial problems without having to give any equity to the banks or to the federal government. Once that is done I can foresee that Dome will just take off again and continue to expand the way it did prior to running into financial difficulties and that it will continue its role as one of the most interesting and large industrial Canadian empires. I wish it every success.

NM: There was a bit of controversy about the hiring of this man from England, was it really that they could not find a Canadian to take over?

LL: I think they could have found a Canadian but because of the fact that the Dome situation is such a controversial problem, with not only all the Canadian banks except the Bank of Nova Scotia and a multitude of foreign banks involved and the Canadian government, that it was felt that they had to find someone who could come to Dome Petroleum with a completely impartial point of view. I think it would have been difficult to find a top notch Canadian who had those qualifications. The other thing is that what Dome Petroleum needs right now is someone who's background is finance. They have the people to run the company, there's no problem there and I would hope that this new man, Macdonald, who's background with the Royal Dutch Shell group, has been finance, will spend most of his time trying to resolve the financial problems. And I hope he will do it.

NM: Not an easy job.

LL: No, it won't be an easy job but I'm sure it can be done.

NM: This is the end of the first interview with Mr. Louis Lebel.

Tape 2 Side 1

NM: This is Nadine Mackenzie speaking, this is the second interview with Mr. Louis Lebel. Louis you are also actively involved in politics, was your father also involved in politics?

LL: He was not involved to any great extent, no.

NM: When did you become involved?

LL: I became involved after I started working, that would be when I was roughly 30 years old, after I finished my studies and after I got out of the Army.

NM: And what made you interested in politics?

LL: I guess I came to realize that the political life of our country was extremely important but government was becoming more and more involved in the average citizens lives and that if one didn't participate in politics in one way or another that he would not have a say in how our country was governed and who governed it.

NM: So how did you get involved at the beginning of your political career, what did you do?

LL: I guess I followed the same procedure that a lot of people do, I got involved at the constituency level. I also made a decision early in life that I was more interested in federal politics than I was in provincial politics so most of my effort was directed towards the federal arena. I started off as I say, at the constituency level, going to constituency meetings, working during election campaigns, getting on the Calgary South executive committee.

NM: Always on a volunteer basis?

LL: Oh yes, all on a volunteer basis. I never had any paid position in politics. Then of course, there are openings that occur. There's always need for anyone that is prepared to work with a political party and some of the areas that I spent a fair amount of time on were, organization and fund raising. At one point in time I was Vice-President for the federal party for Alberta.

NM: Why did you choose the Liberal party?

LL: That's an interesting question because there were more than one reason. I guess the first reason would have to be that, having studied Canadian history at school and at university I came to the conclusion, wrongly or rightly that on the one hand the Tory party, the Conservative party, represented the establishment, the Bay Street interest in Toronto and on the other hand the Liberal party represented the minorities, the underdog, the average Canadian. I just gravitated towards the Liberal party and although at time I did have some concerns about its policies, I'm a free enterpriser, but historically, except for the last 10 or 15 years, the Liberal party was the party, the free enterprise party. And the Tory party was the protectionist party. So from a philosophical point of view I tended to side with the Liberal party.

#046 NM: Can you tell me about your political career, I know that you started as a volunteer, and then what happened?

LL: I kept on being involved at the national level. I was on a number of committees, I had the opportunity of working with a number of cabinet ministers and got to know many of them on a personal basis. The fact that I speak both French and English made it very easy for

me to become fairly close to some of the cabinet ministers, such as Jean-Luc Pepin, Jean Chretien, Marc Lalonde and Jean-Jacques Blair and a number of others. And then of course, in my business career as well, I had the opportunity of meeting with some of the Ministers, such as the Ministers of Energy and the Minister of Northern Affairs and there were certain years where these contacts were very frequent, such as the year that I was Chairman of the Board of Governors of the Canadian Petroleum Association. The opportunities to go to Ottawa were very numerous and the contacts were frequent.

NM: Was there ever any conflict of interest between your political career and your career in the oil patch?

LL: No. Most of the dealings that I had on behalf of my company, Chevron Standard and on behalf of the industry were with the civil servants. When you're dealing with the civil servants you have to make sure that you're dealing with them on a very impartial basis. However when a matter of significance, when a policy matter arose, then of course the ability to go beyond the civil servant category would become very, very important because after all the Ministers are the decision makers and if you have the ability to try to influence them at that level you can become much more effective than you would if your sole contact was with the civil servant. I want to make it clear that I'm not downgrading the importance of the civil servant.

NM: But it was easier for you to go straight to the top maybe.

LL: I would never go straight to the top because from an negotiating point of view you have to go through the proper channels first. And if I was going to see a Minister I would never do so without telling his Deputy Minister that I was going to see the Minister about it. Just so that he knew and he would not be antagonized if I did go directly to the top.

NM: So that was good public relations?

LL: Oh yes.

#085 NM: Can I ask you, what do you think of Trudeau, as a political man and as a human being?

LL: I think Trudeau is an extremely intelligent man. I think he has the interests of Canada at heart. He's a very dynamic individual. I don't agree with all of his policies. On the other hand I don't think that I would agree with all the policies of any one man. So on that basis I would say that my opinion of Mr. Trudeau is a very, very favourable one. However I think that our system is wrong. I think that Mr. Trudeau and any other Prime Minister or any President of a country or even any President of a large company, can only bring so much to his job. He has only so many ideas, he can be innovative only to a certain degree and I would say that after maybe 5 or 6 years, maybe stretching it to 8 that a President or a Prime Minister can implement all the ideas that he has. And that once he has done that really, it's time for him to let somebody with new ideas come in and carry on.

NM: Has it been difficult to be a Liberal in a Conservative province?

LL: Well, people have asked me that, because as I mentioned earlier I am a free enterpriser. I guess I'd have to classify myself as a right wing Liberal. In addition there is a pragmatic factor that enters into the fact that I am a Liberal in Calgary and that is that from an influence point of view, one can do much more as a right wing Liberal in power than a

Tory out of power and historically the Liberals have been in power an awful lot longer in Canada than the Tories have. But I have really never been criticized by people, my associates in the oil business for being a Liberal. They accept it and they know that I have the best interests of the industry at heart and that if there's anything I can do to make my ideas prevail that I will do so. I can honestly say that during, especially during the last 6 or 7 years that at time it has been very, very frustrating. I can remember numerous occasions and one in particular that comes to mind is one evening about 5 or 6 of us, including Al Ross and Arnie Nielsen and a couple of others had dinner with Mr. Lalonde in a room at the Calgary Inn. We were with him from about 7:00 till about 11:00 and it was a very pleasant evening and we discussed the oil industry. Mr. Lalonde was leaving the next morning for a very important meeting with Mr. Lougheed. But the frustrating part of it was that after we left at 11:00 on the way out we met in the lobby and there was one sort of unanimous feeling that we had and that was that Mr. Lalonde had not listened to us, that there was sort of a veil between ourselves and he. Now whether this was because he was thinking more about his meeting the next day with Mr. Lougheed I don't know. But there were numerous cases where I or we, sort of got the impression that we weren't being successful in communicating or that maybe, some of the people we were talking to didn't want to listen to us.

#140 NM: Are you also involved with Liberal party in Alberta?

LL: No, I'm not.

NM: You're not, just on the federal level?

LL: Just on the federal scene.

NM: Mr. Lebel, how do you feel about the oil situation in the west now?

LL: I think we're going through difficult times right now and these difficult times apply not only to Canada, they also apply to the United States and worldwide. During the, especially the last 15 years we have seen a wave of nationalistic feeling that has permeated practically the entire world. The Middle East for instance, company and company has had its petroleum assets confiscated, taken over by the local government, with very little compensation in some cases. In South America the same thing has happened and in other parts of the world and in Canada to a certain extent the same thing has happened. So the industry has been going through some very difficult times but the industry has an incredible ability to bounce back, to react to circumstances and end up surviving and making a reasonable profit and I have every hope that it will do the same thing.

NM: So you are optimistic about the future.

LL: Oh yes, sure. And some of the companies that I am associated with now are spending vast sums of money on the expectation that they will reap reasonable rewards. Two of the companies that I could refer to specifically are Norcen Energy Resources and Dome Canada.

NM: Is it difficult to be a Francophone in the oil patch?

LL: No. If anything being a Francophone has helped me because after all, there are roughly a third of the people in Canada who speak French and the political situation in Ottawa,

especially with the Liberal party is such that there are a very large number of very influential Cabinet Ministers and civil servants in Ottawa and being able to converse with them in their language makes it quite a bit easier to deal with them and to get their confidence.

NM: And locally here, you never had any problems?

LL: No. You know, you're bound to run into people who have some anti-French ideas but you're going to run into that anywhere, in any country. I just don't react to that, if I hear some adverse comments I just keep quiet and respect the other fellow's opinion and let it go like water over a duck's back.

#184 NM: Everybody has heard about the National Energy Policy, what do you think of it?

LL: The National Oil Policy originated in the minds of the Liberal party many years ago. It originated because of the desire on the part of the government to increase the Canadian content in the oil industry. For many years, and going back to the years when Joe Green was a Minister of Energy, the ministers would come to Calgary or when we were in Ottawa they would talk to us there about this question of how can you make the industry more Canadian because at that point in time, I think the petroleum industry was close to 90% foreign owned. I think this disturbed the political people and it bothered them. So they really tried to find a solution. They couldn't give tax benefits to Canadian companies and not give them to Americans, that just wouldn't sit properly. They thought of giving concessions to Canadian companies, which they did but it just seemed that Canadian companies that were successful didn't survive. Canadian companies kept being bought out one after another by multi-national companies. Most of the original Canadian companies don't exist anymore, they've been taken up by other companies. For instance Gulf taken over by British American. So the end result in a nutshell and to be very brief was the government made two decisions, number one was that they would set up a national oil company, the same as exists in a large number of countries such as France and Britain, in fact I think most countries except the United States have a national oil company. Of course, it met with a lot of resistance and I objected to it to start with. I remember when I was Chairman of the Board of Governors of the Canadian Petroleum Association appearing before a House of Commons committee and being asked what the attitude of the Canadian Petroleum Association was towards Petro Canada. I told them that I didn't want to speak for the Canadian Petroleum Association but that I would express a personal opinion and my personal opinion was that since the government of Canada, our elected representatives, had decided in their wisdom that a Canadian national company, Petro Canada, was to be, then I would accept that decision since it was a democratic decision. But that I would hope that Petro Canada would not be given any special advantages, that they should operate on the same basis as any other Canadian company, that I really objected to the goodies that the government had given Petro Canada. Now the second thing that occurred was the question of incentives, both in Alberta and in Ottawa. Today the PIP grants represent a very substantial percentage of the amount of money that's being spent on exploration in Canada. But these apply primarily to Canadian companies who qualify. For instance, the two companies that I'm involved

with now, both qualify for maximum PIP grants.

#245 NM: Do they get them?

LL: Oh yes. The explorational work that for instance, Norcen does on the east coast offshore, they get up to 80% of the expenditures that qualify back in the form of grants from the federal government. And the same thing applies to Dome Canada.

NM: So do you think that the west is selfish in trying to keep the oil?

LL: The question of keeping the oil is a very complicated one because the problem is really a difference of opinion between the Alberta government and the federal government. It has lasted for many, many years. It started when the Alberta government increased the royalties substantially and antagonized the federal government because they felt that they were getting very, very little out of the industry. Of course, they countered and the Alberta government countered and the end result was the industry getting caught in the middle. It's very, very unfortunate that this situation exists because nobody wins. The federal government isn't going to win, the Alberta government's not going to win, and the industry's not going to win. Everybody loses when you have a situations such as that. I would hope that perhaps with a change of governments or leaders of governments that this attitude between the governments will change and that all the infighting and the policies that each one takes to try to hurt the other will disappear.

NM: What do you think will be the solution for Canada now?

LL: I really feel that we need a change of scenery, that at least the two leader, the two Peter's, Mr. Lougheed and Mr. Trudeau should leave the scene. I don't think there can ever be any true dialogue between the two individuals. I would hope and maybe I'm dreaming, that with two new leaders that the incredible mass of regulations and counter regulations and legislative bodies that exist both at the provincial level and the federal level will disappear and that a much more simple mechanism can be put in place, whereby each government will agree on how much it should receive and put in a very simple mechanism to acquire it.

NM: So a balance.

LL: Yes. To acquire their share because that's all what this infighting is about is a question of who should get how much. The Alberta government says that they own the natural resources, they're all there. The federal government says it has the taxation powers and the if it has the taxation powers that it should have the ability to get what it considers its reasonable share. Now if they could agree on what their share should be they could develop a simple mechanism that would just save hundreds of millions of dollars in administrative work and make it so much easier for the industry to operate and still achieve their objective.

#309 NM: Who do you think will replace Mr. Trudeau and Mr. Lougheed?

LL: That's a very subjective question and it's fairly difficult to express an opinion, however I'll go out on a limb and I will predict that John Turner will replace Mr. Trudeau and I will predict that Lou Hynman will replace Mr. Lougheed. However I would like to say that there's an outside chance that Don Getty might consider running for the job and I

think Don would be an excellent Premier. He held a couple of portfolios including the Energy portfolio while he was with the government and he is very popular. But I think at the present time that Lou Hynman has the inside track.

NM: This is the end of the tape.

Tape 2 Side 2

#031 NM: Louis, you are doing a lot of community work, can you tell me about that?

LL: I guess my decision to get involved in the community stems from my firm belief that the community will be what the citizens make the community. If everybody sits back and after their days work they go home and sit by the tube until it's time to go to bed and go back to work the next day that really the community will fall apart or become prey to radical elements, which is really not what we want. So I felt that we certainly didn't want government to do everything for us and the private citizens should do as much as they could for themselves. So I started off, I believe one of my first ventures was with the Providence Creche. I felt quite strongly that the private sector should take care of its own people and that orphans and under privileged children should be taken care of by the people, not by government. As it turned out the Providence Creche has now become the Providence Centre and it's a very successful one. However the principle behind it has sort of fallen apart because today the provincial government has pretty well taken over all child daycare and there's very little room for the private sector. In other areas, sports, Boy Scouts, health, such as the Heart Foundation and the Cancer Society, here again, I felt these were areas where the citizens should help themselves and the more participation you have by the citizens at large, the happier a community you're going to have and a better one in which people can live. For instance, in sports the young people in this community are very, very well taken care of, they have excellent facilities and there are a very large number of Calgarians who devote a lot of time to sponsoring, coaching various teams of sports for young people. And I think this is great. I feel very badly about government interference in our every day life. I wish there were more people who would get involved in their community.

NM: You are also involved with the Canadian Petroleum Law Foundation, what is it?

LL: I'm not involved anymore but I was involved for many years. The Canadian Petroleum Law Foundation originated because of a desire by the lawyers who were associated with oil companies to try and influence first of all, the development of thinking in terms of laws that affected the petroleum industry. And secondly to try to prepare submissions and present them to government agencies to influence the passing of laws that affect the oil industry. So in effect it's a research body and it's composed, not only of lawyers who are associated with oil companies but of lawyers from many of the larger law firms in town who do a lot of legal work for the oil companies. And I think it's been quite successful.

#077 NM: What were you doing with the Canadian Petroleum Association?

LL: I was involved on a large number of committees for the Canadian Petroleum Association over the years, most of them in the area of land legislation and legal work. Eventually I

got involved at the management level or at the senior level and became Second Vice-Chairman, Vice-Chairman and eventually became Chairman of the Board of the Canadian Petroleum Association for one year. Those 3 years were extremely interesting because they involved the decision making process of all the major companies in the industry in so far as public relations and government relations were concerned. My final year especially, when I was Chairman of the Board involved dealings with all the major companies in the industry and with practically every government in Canada, especially the federal government. And representing the industry at various hearings, including House of Commons committee hearings. It was a very, very interesting year but also had a large number of frustration attached to it as well.

NM: Looking back at your career Louis, what was the most exciting experience in the oil patch?

LL: You may find this a little unusual, but I think the most exciting experience for me occurred after I left Chevron, after spending 32 years with Chevron and that experience was getting involved with 2 large independent companies, Norcen Energy Resources Ltd. and Dome Canada. The exciting part of it was primarily the people that I became associated with. In the case of Norcen becoming associated with very dynamic brothers, like the Black brothers has been a real interesting experience for me. These brothers are in the process of building a Canadian industrial empire and working with them is very, very stimulating. Now with respect to Dome Canada, being associated with both Jack Gallagher and Bill Richards, who in my mind have to be considered, especially Gallagher, some of the top industrial innovators in our country's history. It's unfortunate that they are running into financial problems at the present time and that they will be disappearing from the Dome scene because I don't think they deserve it. I think dealing with those two groups of people has been the most stimulating experience in my life.

NM: What do you consider your highest achievement?

LL: I think I'd like to select possibly two of them that were really not directly related to my employment. The first one was being elected Chairman of the Board of Governors of the Canadian Petroleum Association. Because this was an achievement that normally does not, is an achievement that one does not reach or acquire unless you are the Chief Executive Officer of the company that you're working for. In my case I was a Vice-President of Chevron at the time I became Chairman of the Board. And in the industry it is the top industry position and I was quite flattered to have attained it. The second one was being elected Chancellor of the University of Calgary. Here again, it came fairly suddenly. I was asked to let my name stand and I really didn't know whether I should or not. It was something completely foreign to anything that I had been with in the past.

NM: A complete challenge.

LL: Yes it was, a real challenge. I debated for some time, I spoke to Chevron and reached an understanding with them that if I decided to run and if I was elected that I could spend half my time at the university and they agreed with it. So I let my name stand and to my surprise I was elected Chancellor and spent the better part of 4 years on the campus. It was very stimulating, the university scene is one that's completely different to the business community and I found it a real challenge and I'm pleased I did it.

#148 NM: Who was the most influential person in your career?

LL: I think I'd have to say perhaps there were two of them and I got to know both of them early in my career. One of them was my first boss, his name was George Furnival and there was one lesson that I learned from him and that was that there is no substitute for hard work. He was a workaholic and I guess that I can say that I've been a workaholic all my life as well. The second person is my first President, George Knox. I guess the lesson that I learned from him was honesty. George Knox was an American, politically he would be classified as a real right wing John Bircher, but his integrity was beyond question. He was an extremely honest man. Even if it meant losing a very attractive deal George Knox would never resort to any type of dishonesty. I guess those two people who taught me those two lessons are the people who perhaps influenced me more than anybody else.

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

LL: I guess in retrospect, hindsight is a wonderful thing. But when I decided to go to work for Chevron some 35 years ago, I did so primarily because of the fact that as a youngster I had gone through the Depression where, in a small farming community in northern Alberta, we had lots to eat but we had no money. And security meant an awful lot to me and I guess for that reason, even though I had chances to leave Chevron on numerous occasions I decided that my career was with Chevron. Actually today I'm glad that I did have that career. On the other hand I'm also extremely fortunate in that having decided on early retirement when I was 61, that instead of electing complete retirement that I have become involved with a half dozen companies, all of them independent companies and all of them Canadian owned. This involvement has been extremely rewarding, is very rewarding and very interesting. So I think I have been very, very fortunate in having had really two careers, one with a multi national which spread over a period of 32 years and since then, during the past 3 years and hopefully for a few more years to go, that I will have been and I hope continue to be involved with a completely different area of our economic life.

NM: This is the end of the interview with Louis Lebel. Thank you very, very much for this interesting interview Mr. Lebel.