

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: D. E. Lewis

INTERVIEWER: Betty Cooper

DATE: February 7, 1983

[very soft spoken and hard to understand]

BC: This is February 7th, 1983 and this is Betty Cooper. I am talking to Mr. D. E. Lewis, QC and we are talking in the Board Room of the Devonian Group at 999 - 10th Ave. 8th St. and 10th Ave., sorry about that. Mr. Lewis, for the record could we put down what the D. and E. stand for?

EL: David Edwin.

BC: But you have always gone by Ed?

EL: Yes. The reason, my grandfather and my father and myself were all David. They knew the grandfather as David, my father as Dave and then they decided I should be Ed so people could distinguish.

BC: You were born in Calgary?

EL: Yes.

BC: But could you give me the date of your birth?

EL: November 25th, 1913.

BC: And your mother's name?

EL: Alice.

BC: Were you an only child?

EL: No, I have 3 brothers.

BC: Perhaps for the record could we put their names down and where they sit in sequence to you?

EL: I'm the eldest and there was a girl immediately next to me that died in infancy and then my brother, Arthur who died about a year ago and then I have two other brothers out in Vancouver, Ralph and Alberta.

BC: Mr. Lewis you were educated in Calgary, what did your father do?

EL: He had a mixture of different locations and jobs. He originally came out and I'm not sure exactly what he started at but he worked for the city for a little while in the ??? department and then he started a concrete business, putting in sidewalks and curbs and that sort of thing. That went broke in the Depression and he did a number of odd jobs, ending up as a small broker until his death, he was a broker, mostly in oil shares in the city of Calgary.

BC: When did he come out to Calgary?

EL: I figure it was either 1906 or 1907 and he originally joined the old cement factory which was in east Calgary and worked there for a few years.

BC: And did he meet and marry his wife here or were they married when he came out?

EL: No, my maternal grandfather came out and homesteaded at Lacombe somewhere around

1900, either 1899 or 1901, I'm not sure, I think it was 1901. My mother was going to normal school in Calgary at the time they met. And they were married I think it was 1911.

#031 BC: Did your mother teach school in Calgary at all?

EL: No, she taught in the country, mostly up near Red Deer, a place called, well, it was the Canyon School just north across the river, a little bit east of Red Deer. In fact right now where the homestead was and where the school are is in the Joffre oil field.

BC: Is there anything left of the building?

EL: I think there is. Somebody purchased it in 1933 and it's still there as far as I know.

BC: It's funny how history interweaves isn't it? When your mother's people homesteaded, were they one of the fortunate who had their oil?

EL: No, they purchased the property through the Hudson's Bay, it was a Hudson's Bay section and then they added to it but they didn't have the mineral rights.

BC: What school did you go to through your elementary and high school here?

EL: ??? School, it's still there.

BC: Now this would be for elementary.

EL: And then I went to Crescent Heights High School and Mount Royal for a little while.

BC: Mount Royal after?

EL: Yes. First year university at Mount Royal College.

BC: What year would that be that you went into Mount Royal College, do you remember?

EL: About 1933 when I went through.

BC: Going to school in the elementary and high school system here, was there any teacher that you can think of that influenced you to go into your career in law?

EL: I don't think there was. The only teacher that I remember profoundly was Bill Aberhart, he was the principal at Crescent Heights High School and I took arithmetic from him. That was quite an experience, he was a pretty tough teacher and I think if you didn't do your homework for any other course in the high school you did it for Bill Aberhart. He was a pretty stern, strict individual.

BC: Who expected you to do it?

EL: Not just expected, he was just liable to pick you up by the neck and shake you, he was a strong man and he'd come in from behind and grab you by the collar. He really thought he could also, I've seen him on occasion throw blackboard brushes at people.

BC: With deadly accuracy?

EL: Fairly accurate, he was a big man but he had the children, well, children, Grade 12 students really frightened. I don't think I was any different than anybody else.

BC: Did you learn from him?

EL: Well you did. I think he must have had one of the highest pass rates in the province in arithmetic and Grade 12 arithmetic wasn't easy. At least it wasn't for me.

BC: I don't think it is for anybody. I think Grade 12, it is so difficult that now they don't make it a requirement to go into many of the areas of university.

EL: He was a good teacher I thought, but his strictness you know, you just did the work.

BC: What made you decide to go into the law then?

EL: No idea. Just sort of interested, I can't tell you.

#063 BC: Were you able to go right on into law because you must have graduated from high school at the beginning of the Depression?

EL: No, I went to normal school for a year, never taught and then I went down north to work for the El Dorado gold mines to work for a little bit, a year and half I guess and then I came out and went to school. That gave me the basic money.

BC: What mine did you work for?

EL: El Dorado in the Great Bear Lake, just 10 miles south of the Arctic Circle.

BC: That must have been quite an experience for you.

EL: It was very interesting.

BC: How did you get the job?

EL: Another fellow and myself didn't have anything to do one summer, about 1934, or 5, 5 I guess and we bought a canoe and outfitted it in Edmonton and got a ride with a friend, one of my chums who was a contractor, on his flat car and took our canoe and everything we had down to Waterways and then we canoed from Waterways to Yellowknife, couldn't get a job and then came back and went up to Fort Fitzgerald and got a job at Fort Smith with the Northern Transportation Company and they were going down the river and we decided we'd canoe down if we couldn't get any other way. The captain of the ship said if we canoed down he'd stop the boat and pick us up a few miles away, which he did. He hit a rock at Fort Providence with the barge and sprung a hole and they put a canvas over it and shoved it up to Fort Norman and I got the job of salvaging all the equipment and food stocks in the barge for El Dorado Gold Mines. During the summer the manager of the gold mines came over, E. J. Wiley??? and I asked him for a job and he gave it to me. When I got over there I got a job on surface and later underground. And spent I guess a little over a year. And then the owner of the mine, or one of the owners, Charlie LaBean, the brother of the man that found it, promised every student that was in the mine a job every summer and he kept his word. So I went all but one summer when I was at school.

#089 BC: Weren't you fortunate at that time?

EL: Well, that's right because it paid better and you could save more money than any other job I knew of.

BC: What was your pay do you remember?

EL: I started at \$120 a month, everything found.

BC: That was very good pay, wasn't it? Your chum, what was the name of your chum that went up with you?

EL: It was Harry O'Hanlon that lives out in Vancouver. . no, not Harry, it's his brother, Harry's the sculptor at High River, but it was Harry's brother.

BC: And did he get a job in the mines too?

EL: No, he came out. He decided to come out, he wasn't interested.

BC: Going underground in the mines is not something that many young people relish, how did you find working underground?

EL: It was no problem. I started out as a deck hand and a trammer??? and then for awhile I mucked. But I didn't find any difficulty. In fact I'm a Director right now of Falconbridge

Mines and I've been underground as a Director and it certainly is a different world.

BC: I'm sure it's a different world today, how is it different underground today than when you were underground?

EL: We were in a frontier area and everything was done by hand. Of course, today with the bigger mines they have trains underground that are run by electricity and they've got big heavy equipment underground, you'll find Caterpillar tractors and special equipment for mucking and all these sort of things. It's just like being in an underground town almost.

BC: When you were down there it was just. . .

EL: Just people.

BC: Just people and hard work.

EL: Everything was done by hand. But it paid well.

BC: Then when the mine manager said that he would give everyone a job, you went in then to the University of Alberta did you?

EL: Yes.

BC: What did you take to start with?

EL: I took the combined course, the BA plus an LLB degree.

BC: I noticed that you graduated with a BA in 1940 and an LLB in 1941. Now that's a little different pattern than what they do today, so what was this combined?

EL: I think there's maybe still that sort of thing but with very few students but it was the combined course, which was you registered for the BA, LLB course and when you got to the first two years of Law School you still handled extra courses in your BA. You took a bigger load and you had to have a certain standard to stay in it.

BC: Like an honours course in . .

EL: That's right. Most of the students took the combined course, not everybody.

BC: Today most people seem to take a BA and then go in for 3 years. Is this combined course still available at the U. of A. do you know.

EL: I'm not sure, I don't know. It was for a long time but whether it still is I don't know.

BC: What did you major in in your BA?

EL: History???

#126 BC: That's why you're so involved in the Devonian group probably, the love has always been there. How many years then did it take you to complete the double?

EL: 5. And then one year's articling.

BC: Who did you article with?

EL: I articulated after the war with R. F. Fitz??? QC, he had a small firm in the Macleod Building which is now where the Glenbow Museum is.

BC: My goodness, your world does seem to swirl doesn't it, around certain things. You say you didn't article until after the war so obviously. .

EL: It was 1946 when I came back.

BC: As soon as you were through with your LLB you went right into the Armed Forces?

EL: I was actually in the Army before I graduated, about a month. But the call-up was waiting until I graduated and then I went straight from the University of Alberta to Sarcee, about 2 or 3 weeks there and then went up to Gordonhead, which was first class, what's known

as micron gubbies, at Gordonhead.

BC: Micron gubbies, that sounds intriguing, tell me what micron gubbies are?

EL: It's just kind of a military expression, micron means the first and I don't know the other, we were just gubbies, and that's small, you know, fish.

BC: When you were at the university, would you have belonged to the university ROTC?

EL: Not directly. When the war broke out, every male student at the university was required to be a member of the Armed Forces unless he had some medical disability. And the new people were put in something called the Auxiliary Battalion. There was the people that had been in the OTC prior to the war stayed in it and then the new people went into the Auxiliary Battalion and then you were promoted to the ROTC after an examination at the end of the year I think it was. And I passed quite handily and was in the ROTC, then I applied for a commission and the only one open at that particular time was the Army Service Corps, which I accepted.

BC: With the Army Service Corps, after being at Sarcee, that would just be basic training at Sarcee I presume and then when you went as a gubbie.

EL: Well it was just kind of preliminary and then we went to the officers training school at Gordonhead which is now the University of Victoria. And then I went after 4 months to red Deer, which was the advanced training centre for the Army Service Corps. And then from there I took a supply depot at Moose Jaw, Saskatchewan with the RAF. The RAF came out and had a Commonwealth training school and I was the supply officer living on the base at Moose Jaw and supplied to the auxiliary areas.

#165 BC: How did you, from the Army, get into the RAF?

EL: I wasn't in the RAF. I was still in the . . . the supply officer at that time and I guess still is, is an Army job to supply troops. And we supplied everybody, it didn't matter, Army, Air Force, or Navy. If they were in our division and they called then we supplied them.

BC: This is rather interesting going way back when because now it is the combined Forces but I'm not sure that everyone realizes that they were combined in certain specific areas.

EL: Well, they were, in each military district. I always tell people that just before I left for overseas I was asked to go to Regina because the office commanding the supply depots in that particular military district went on a holiday and they asked me to come in and take him place, which I did, as a young 2nd lieutenant. And I remember going down to the supply depot in Regina and walking in the cold room where the refrigerator was and it smelled terrible. And I checked around and in the back I found two carcasses of moose hanging there with a real fuzz on them, and I was told that this was the commanding officer's moose and I said, I don't care whose it is, it's got to go out because it impregnates butter and eggs and this sort of thing. They told me the Brigadier would be very upset, Brigadier ??? and I said, that was just too damn bad, my authority came from the supply group in Ottawa and this was what my requirements were. The moose were out of there two days later and two weeks later I'm on my way to England. Whether there's any connection, I don't know. But it happened that way.

BC: Were you happy to go to England?

EL: Oh yes. Because that was the whole objective of going in the Army.

BC: What year was it then, that you did go overseas?

EL: Late January '42. I joined up in April '41 and went over just after Christmas.

BC: You saw considerable action over in . . .

EL: Well, I trained until after D-Day. I was with 4th Division, we went in right after D-Day, about 15 days. We were an armored division and our armour wasn't needed until a little later on.

BC: When you say you were an armored division, obviously you had changed from the Service Corps.

EL: No, I commanded the troop carrying detachment. The armored division is broken into two, an infantry brigade and an armored brigade and the infantry brigade goes with the tanks wherever they're needed and they are what they call ??? infantry. In other words if the tanks roll on the infantry rolls with them and then we let the infantry off wherever they were required and then we became self-supporting and self-protective as far as that was concerned. I was wounded twice in that job.

BC: Did you come back to England being wounded the first time?

EL: No, the first time was quite minor. Again, there was quite a little story with that one. I brought a number of people back in half cocks???, a little episode, with the B.C. regiment and the Algonquin regiment got into a bit of a jam and I brought back a lot of wounded, including myself. I had arm wounds and head wounds, they weren't too severe and went into the hospital and got the doctor to patch me up but I didn't know that they'd detached me from the unit. And I went back to the unit and my brother told me that he received a telegram saying that I was missing in action. Then about a week later the Commanding Officer called me in and gave me a blitz for walking out of the hospital and going back to the unit because apparently my documentation was all haywire but it was corrected. But the next time I was more severely wounded.

#232 BC: So that time that you were missing in action, it was because your papers were, they were there and you weren't.

EL: That's right.

BC: Then you were wounded the second time, with the same outfit?

EL: Yes. I was riding an armored car that was part of my. . . I had an armored car and a jeep, the armored car to get into supposedly tight positions. We were hit on the way into the Lincoln ??? regiments but I had a platoon. I was out of action for about a month I guess.

BC: Then were you back in again?

EL: Yes.

BC: At one time, after being wounded twice, later on in the war, then they shipped you back home. . .

EL: No, I stayed right to the end. When I went back with the troop carriers and we started a bus system in the 4th Division area in Holland. For all troops because the officers had decorative transport available but the troops didn't so General Volks??? started this but system which was put together by me and another Calgarian, Jerry Brown, that was one of the original people that started the Greyhound bus company in Canada.

BC: He happened to be in the Army or was at that time. . .

- EL: No, he was in the Army. ???
- BC: He started it after the war then did he, the Greyhound.
- EL: No, no. The Greyhound was started before the war in Calgary and developed and he was one of the people that were originally with them. But he joined the Army and then they needed some expertise in a bus system and we found them.
- BC: Weren't you fortunate?
- EL: Well of course, in the Army you could find anybody, the disciplines are all there somewhere.
- BC: When you say you were with the 4th Division, were you attached to a particular regiment?
- EL: No, 10th Infantry Brigade, most of the time under Brigadier Jefferson of Edmonton, who was from the Royal Edmonton Regiment originally.
- BC: After the war you did stay active with the militia did you not?
- EL: Oh yes, I stayed with the militia for a number of years and finally commanded the Calgary Highlanders.
- BC: What made you decide to stay with the militia, you hadn't been with them prior to the war?
- EL: No, but they were all my friends when I came back. You sort of tie on to something you know and I knew the Army, enjoyed it.
- BC: Were the Highlanders part of your division when you were overseas?
- EL: No, they were in another division. The only connection I ever had with the Calgary Highlanders, I defended one of their, no, I prosecuted a Sargent that committed a murder in that particular area and I was attached to them while the trial went on, which was quite a large trial, 45 witnesses for the defence. And I was staying with them while this thing went on.
- BC: Was this during the war?
- EL: Just after.
- #278 BC: So you really were practising law to a certain extent too?
- EL: There was a number of lawyers in this division that were asked occasionally to take trials and I seemed to be, kind of specialize I guess in defence because I had quite a few of them.
- BC: And you defended this young Sargent?
- EL: Well, he finally killed himself, committed suicide but that's another story.
- BC: Was this after the trial?
- EL: No, no.
- BC: During the trial.
- EL: When we were getting ready for it. We took him back one day, took him back to the jail and he grabbed a gun off one of the Sargent's, it was a very, very hot day and the Sargent left the gun, a pistol it was, revolver, he'd taken off his belt because it was very hot and threw it in the corner and he jumped out the back of the truck before the prisoner expecting the prisoner to jump behind him and he saw the gun and grabbed it and put it in his mouth and pulled the trigger.
- BC: My goodness, that would be a very sad ending.

- EL: So we didn't finish the trial.
- BC: No. And you were with the militia until 1960?
- EL: Yes, '59 or '60.
- BC: And when did you become head of the Calgary Highlanders?
- EL: 1955 or 6.
- BC: Let's go back now, we've really jumped ahead far too fast but I'd like to go back to coming out of the army and you mentioned that you did your articling after. When did you get discharged from the Army?
- EL: Well, I left Holland on the 1st of January, 1946 and I spent a month or two in England then I came back and I was discharged in Calgary in late March I think it was, '46.
- BC: Had you already made some inquiries about getting an article?
- EL: No, it was very difficult because when I arrived in Calgary I went to every law firm practically in the city. I was still in uniform and I found that other people had come back and their complement was complete. Mr. Fitz had a very busy practice, one man practice at the time, he'd just lost his partner and he thought he needed help and so he agreed to give me an article.
- #323 BC: You were very fortunate then weren't you?
- EL: ???
- BC: You had stayed over really past the end of the war helping with this bus route etc.
- EL: At the very end of the war I got appointed senior supply officer 4th Canadian Division and I applied to go to Oxford on a special scholarship because I had the qualifications but the General turned me down because I just got this appointment. And we were the last troops to leave Europe. So in this capacity I had to stay until everything was cleaned up and the division was finished and that's when we left Holland, the 1st of January, 1946. At that time I was on divisional headquarters.
- BC: By that time there were many people had come back hadn't they?
- EL: We thought we were going to stay a lot longer. My understanding is that the Dutch government asked that the troops be relieved as soon as possible. There were some problems.
- BC: What kind of problems?
- EL: Well, just the fact we were there and we were better fed and this sort of thing. I think that there were a couple of minor riots too, as far as the Canadian Army was concerned, with some of the local people. Just jealousy I suppose.
- BC: I'm sure too, with the young men in Holland, many of whom had been in forced labour camps and this sort of thing and they wouldn't be able to compete with the money or the good looks of the young Canadians.
- EL: Well, this was really what the problem was all about. I don't know how much is documented but there were some problems.
- BC: When you were leaving then, did you apply again for the special Oxford. . .
- EL: No, it was all over by that time.
- BC: And what would that have given you, what training were you looking for?

End of tape.

Tape 1 Side 2

EL: [in mid sentence] and then about a year, in 1948 Art Bressner, who was the senior lawyer for Imperial Oil, I've forgotten what the title was, it might have been Regional Solicitor but anyway he contacted me and offered me a job with Imperial Oil. And then of course, I had discussions with the General Council at that time, John Hamilton and he was in Calgary.

BC: That must have been quite a decision, as to whether to go with a company, particularly being a young man and having the partnership as soon as you finish your article, that's rather unusual.

EL: It was a little different in those days, they paid very small amounts and it wasn't a large firm by any means and I was doing a lot of rent??? work at the time and the Imperial offer was just double what I was being paid.

BC: Which would not necessarily be the case today, or is it still, do they offer more than a young lawyer would get in private practice to go into firms?

EL: The circumstances are all different to me, you look at people individually, how bad you want them, what you think the potential is and at this time they were paying what turned out to be better.

BC: What was your position and what were your duties when you first started?

EL: We had a law department, I think I was the third member of it and then there was another chap that came in later that had been negotiating ahead of me and they considered him senior to me at the time when they got him. He was John Hammond, he later became a director of the company. So it was a 4 man law department and we just did whatever work was required. I did a lot of the surface work originally.

BC: What would be involved in doing surface work, this would be in 1948?

EL: Yes, when the land man went out with the contracts we'd make certain that they were completed properly, that the affidavits were correct and that they were registered properly. They I did a lot of work with the Petroleum Natural Gas Lease. At that time we were still working on its construction, its wording. And then I went out in the field a few times with landmen, for instance in Manitoba, where there was a big land play going on. Again, it was to check the leases and make sure they were correct, titles were correct and once Imperial signed them they were entitled to the land that the lease purported to lease.

#033 BC: You mentioned earlier that you were working on the wording of the leases.

EL: Art Bressner was the star on it, but we all took part in the wording and making certain that it conformed to what we were trying to do and the law at the time.

BC: What was the problem with the lease at that time?

EL: Well, they were relatively new in western Canada. There had been leases but we were trying to make sure that they conformed with practices. We had the American experience to help us. We were working with a law firm too.

BC: A private law firm?

EL: Well, the Bennett firm, ??? Chambers.

BC: I see. One of the big problems certainly with who owns what in the oil subsurface, first it was the CPR in particular, they had to go to court several times to determine whether they did own all petroleum or whether it was. . .

EL: Yes, well that's the ??? case and the Borings??? case.

BC: Yes, were you involved with that?

EL: ???

BC: Could you talk about them?

EL: Well, the Borings case was 1953 and that's the one that dealt with the reservation of petroleum and the question was whether or not petroleum included gas in solution as well as free gas. When I joined the company this case was starting and I had a fair amount to do with getting the evidence together and I remember at one point I was sent down to Tulsa, Oklahoma to discuss with the American solicitors of an affiliate company, which was the Carter Company, it's another one of the Standard, New Jersey chains, to go through with their law department all the American law that they could find on the meaning of petroleum. We did the same thing in Canada, we discussed it with professors and different people to try and prove that the word petroleum would include all gas, whether it was in solution or not. And of course, the courts found that petroleum included gas in solution but not free gas and that if somebody had the right to the gas in a particular land and somebody else had petroleum then the person with the gas could drill a well and take gas out of it but no petroleum, the petroleum belonged to the person with the particular reservation. It was a very major case at the time.

#066 BC: How did it change the picture of the petroleum industry?

EL: The only way it changed it was, as I say, if you had a petroleum lease, you weren't sure if you had the gas. In other words, if you drilled and found free gas you wouldn't own it.

BC: So this would mean that your landmen and you from the law would have to try to get everything?

EL: Tyr to, if you could. From that time on you used the words petroleum and natural gas.

BC: Was it retroactive?

EL: No, because . . . at the time the leases were taken you would have to look at whether it was petroleum or whether it was petroleum and natural gas. Most leases used the two words.

BC: But in the earlier ones they just used petroleum did they?

EL: Yes, some of them did. I don't have any idea how many but there was enough that it became a leading case. It was one of the first major cases.

BC: This must have been very exciting for you, you hadn't been with them very long and you were in the midst of a . . .

EL: I didn't do any of the counsel work, I was just in on the preparatory work.

BC: But digging in like that, it would give you . . .

EL: It was all part of the . . . I did a little counsel work before I came I came to the firm.

BC: And the other case?

EL: Well, the other major case and of course, in law schools today it's got to be one of the major cases was the Canadian Pacific Railway versus Turta??? and that was originally

heard in Canada and in the Supreme Court of Canada in 1954. The Borings case incidentally, I think it was the last case or very close to the last case to go to the Privy Council. But the Canadian Pacific and Turta was after, it didn't get to the Privy Council. And the question of course, to it was the correction of titles. Well, they held that the plaintiffs certificate of title including petroleum was indefeasible because the exceptions in the feasibility provided in the land titles act were in dealing with this description and prior certificate of title were inapplicable. Because the registrar had exceeded his jurisdiction in correcting the certificate of title to reserve petroleum for the CPR so that the owner Turta, had the . . .

BC: He won the case did he?

EL: Yes.

BC: What part of Alberta was that, was the location, just for the record?

EL: In the Leduc area.

BC: So this was very important for the Leduc area wasn't it? Was this right near the discovery well, was this the one. .

EL: In the general area.

BC: So after that, that again, would be a landmark, so after that what did the solicitors for the various oil companies have to be sure of?

EL: It was just a matter of, from then on in you had to do historical grouping of the title and go right back and look at the different titles themselves. It took a lot more work and a lot more . . . your lawyers had to go to the land titles office and spend a lot of time in the land titles office studying the various certificates of title to make sure that corrections hadn't been made in the same way that they had in the CPR vs. Turta.

BC: This would mean that your land department would have expanded then?

EL: We expanded quite a bit about this time or we'd hire people to do it.

BC: Was that a general practice at that time, for the oil companies to hire independent law firms to do some of the work?

EL: Oh, they do that all the time and have done it ever since.

#113 BC: What was the advantage to doing that as against having your own lawyers do it?

EL: Well, it isn't really an advantage, it's just means that when you're crowded for time and have to do things in a hurry and you don't want to increase your costs then you hire lawyers outside to do it. And then sometimes they have specialities or disciplines that you don't have. For instance, they have counsel, most oil companies do not have counsel on their staff. And when you get into the courts you want the best you can get in that particular field so you look around.

BC: I think it's interesting because you think of consultants in the geophysical and the geology but you don't think of them in quite the same way coming in and out of the oil business, particularly in the . . .

EL: Well, you do the same thing, you hire geologists who are consultants and petroleum engineers or ??? engineers, you'll hire ??? consultants. Depending on the size of your company and the expertise that you have. A big major company can have probably every discipline but smaller companies can't. So they hire people when they need them.

BC: When you came into Imperial Oil, and indeed it still holds true today, but how Imperial Oil so moved the industry in western Canada.

EL: Fairly well, I'm not sure it's true today. In the early days of course, the major lands, successful lands were owned by Imperial or controlled by them. You had the Leduc field and then you had Redwater right after it and they had tremendous land coverage in the province, with Gulf and Shell and people wanted to take farm outs from Imperial and these other companies. Of course, the fact that Imperial had the biggest success at the time made people follow them and do more or less the kind of things that they did.

BC: They say that certainly until fairly recently, and it may even hold true today, that if Imperial decided to work to 4:30 then everybody did, if they decided they'd work till 4, everybody did.

EL: There's not question in the early days they were the leader in the field, I don't think there's any question about that but in latter years there were some other pretty major companies in the business and I'm not too sure that holds true today. Well, I'm pretty sure it doesn't. And then of course, they pulled out a few years ago and then came back. But in the early days whatever Imperial seemed to do was followed by other oil companies.

#147 BC: You mentioned when we were talking before we started the interview and I was in the other day, about Imperial building here and not in Edmonton, could you recall that story for us.

EL: The story is I was consulted in late '47 to join the staff of Imperial by Bressner originally and then John Hamilton, QC, the general counsel of the company and then I didn't hear anything from them for 3 or 4 months. And then John Hamilton came out to Calgary and asked me to come over and meet him, which I did and he told me that the reason I hadn't heard anything from him is that Imperial Oil had been negotiating with the City of Edmonton, which is now the site of the City Hall in Edmonton and land in one of the outlying areas. Their intention was to build a building downtown and use a ??? to have lots for about 300 people. Now how many they were moving I don't know but they were trying to keep the number of people that would have to move to a minimum and during that negotiation they hadn't talked to me because if it had been successful I would probably have had the option to move to Edmonton or stay in Calgary by not joining them. But the negotiations fell through, they were trying to get tax concessions from the City of Edmonton but they weren't able to get them so they decided to stay in Calgary. It was cheaper I suppose to stay in Calgary.

BC: They did get the tax concessions here or had them.

EL: No, they didn't get any tax concessions at all, but this was . . . the thing that they were holding out in Edmonton, the we go in and build a big building and we bring 300 people out here, we expect some concessions to help take care of the costs of moving people. The point is, had they moved to Edmonton, I think it's fair to conclude that the other, particularly the smaller oil companies would have moved with them and set up their organizations in Edmonton then there's every reasons to believe Edmonton would have benefited from the growth of the oil industry in that particular city over Calgary and I think you have to come to the conclusion that Edmonton would be a million and a half

and Calgary would be just a small little city of I don't know what size but it wouldn't be anywhere near the size and importance that it is. That's the conclusion I have to come to.

#185 BC: I'm sure. Interesting that you were right in the middle of that and didn't really know it at the time. In your capacity as the solicitor for Imperial Oil, you had different positions but you were very much involved with some of the statutes.

EL: Yes, in 1954 I was made head of the law department of the Calgary, district solicitor and then regional solicitor and in the early 70's I was made western counsel for Imperial Oil. But during the period from 1954 on I was on the legal committee ??? the Canadian Petroleum Association and I was Chairman of it for a number of years. As such I was invited to the Mine Ministers Conference wherever it was held in Canada at least once a year and sometimes with subcommittees twice a year. During that time the Petroleum Association in conjunction with government solicitors in different provinces did a lot of work in the area of legislation, particularly drafted a lot of model acts that could be used across Canada. They included surface rights, leases petroleum and natural gas leases and clauses that could be used ??? that they were ??? models. And outline??? acts and underground storage acts and that sort of thing. And then from time to time we were asked to go to specific provinces and help with certain legislations. For instance I was very instrumental with Jerry Stewart, the landman in drafting oil and gas legislation in British Columbia. We spent pretty close to 10 months of the year going out there every 2 or 3 weeks and discussing, both with the Petroleum Association and the Minister and his staff, different aspects of it and finally drafting it and presenting the government with an act which they accepted more or less and it became the law.

BC: Where would you get your basis for the act as you drafted it from. . .

EL: At that time we were pretty familiar with oil and gas and we used precedents, they might be from Alberta, Saskatchewan, they might be from the United States but I think you've got to say in the early days the majority of acts were based on the American experience, particularly in conservation. They were the leaders in conservation and because of the contacts we had in our own company and other companies like us, I had the legal department of Jersey Standard, Jersey New York to give me any help I needed. And Shell and Gulf and Mobil could do the same thing. Then we knew Canadian background and using the model that we had and our own Canadian experience we could come out with legislation. Now the Alberta government had a lot of background experience because they went back to the Turner Valley days and they didn't need the same assistance, although they used to call on us from time to time. But when we got to Saskatchewan and some of the eastern provinces, Manitoba and then they asked us to help them and that's true of the federal government. We would go with some of the Directors of the Petroleum Association and meet with the Minister in Ottawa and his staff and work on a number of principles and policies that were to be adapted or accepted as a result of these discussions. And with our background it was fairly easy to draft a lot of these acts because they were more technical than they were creating new ideas.

#252 BC: How different would they be from the Americans? There were some things, in

developing the oil fields in the United States they had done and then they realized that certain things should not perhaps have been done that way. Were you able to make the Canadian statutes better because of the experience down there?

EL: I don't know if they were any better but we thought they were.

BC: Can you think of any instances?

EL: No, I can't right now. And of course, there is a difference in the Constitution of the two countries. You've got the national resources by each province and the major difference in the oil business is that the petroleum and natural gas rights are owned in the bulk by the provincial governments and the further west you get the more land is owned by the provincial government. That's the big major difference between Canada and the United States. In the United States the oil fields are privately owned. And then of course, you don't find the same kind of legislation that we have in the United States. There is some federal lands naturally and leases can somewhat similar but the leasing provisions are completely new in Canada, completely adapted to our own problems. But the thing that the Americans were head and shoulders above us was in the field of conservation and in unitization. We adapted the unitization provisions from the United States and I think Imperial probably was one of the leaders in that. Well, I know they were. A fellow by the name of Fred Kelly, who worked in our law department had a lot to do with the drafting and of course, I was with him quite frequently. So that I think the oil and gas lawyers at the time had a lot to do with the legislation that's in effect now and the documents that are used now.

#292 BC: How has it benefitted the petroleum industry, having those. .? .?

EL: The biggest benefit is the uniformity. Things are done pretty well by all oil companies in the same kind of forms and the same. . it's made the business a lot simpler than everybody having their own ideas and doing it their own way. And these standard. . well, it goes one step further, in 1954 a professor at the University of Manitoba, Andy Thompson and myself started a book called Canadian Oil and Gas. I think we started with about 4 volumes, it's now at 8 but one of the major parts of it at that time, in the first volume it dealt with the different forms in the industry. And we collected these from different people and they were used as models and I think had a lot to do with the uniformity of the various documents that were used and have been up until this date.

BC: What made you decide that you would go into publishing?

EL: Well, that was kind of an odd one. A chap came out from London, England for Butterworth, which is the leading law book publisher and he was the managing director and he was in Calgary and he was trying to get some interest in the starting of a book and he went to see Sam Hellman, QC and Doug Chambers. They told him that I probably knew as much as anybody in the country on oil and gas law and he came over to see me and we had quite a discussion. I told him I just didn't have the time to do it and he said, if I get somebody to do the footwork, will you go along with the direction and what should be in the book and this sort of thing. So I agreed to do that and thought I'd never see him again and he turned up a year later and said that he'd got this young professor, lecturer at the University of Manitoba called Andy Thompson. So Andy came out to see me and I

happened to be going on a course at that time and I had nothing to do on the weekends and the evening so I started to put this thing together. And it evolved and finally we got it published.

End of tape.

Tape 2 Side 1

BC: When did the first one come out?

EL: 1954. And Andy and I still keep it up to date. At times we're a little slack but it's still published and. .

BC: Where would it be used?

EL: Well, it's used in land departments and legal departments and law firms, law libraries and that sort of thing. People who want references on Canadian oil and gas. It's ??? around the world in a lot of its areas.

BC: This must be quite a job keeping it updated.

EL: Yes. There's a full time editor in Toronto that works with Butterworth that does this for other books as well as ours and they have a system but we have to ride herd on it sort of thing. And about every year we try to come out and bring it up to date, the cases and the legislation, most of the book is legislation so that people have it right at their fingertips.

BC: It's almost 30 years since that first publication, 29, what has been the major change in the legislation do you think in that 30 years that you've been publishing?

EL: I don't know whether you could really explain what the changes are. The oil legislators try to change the law to keep up with the new ideas as things evolve and things are proven wrong, it's kind of a day by day evolution, the oil and gas law does not stay static. And everything evolves and new ideas come forward, governments will change royalties and that's reflected in it, they will change rules on conservation as they learn more about pipeline. Tremendous changes in the attitude towards environment. There's a tremendous change in the compensation that's paid the farmer. The farmer today is looked at as a completely different type of person than he was years ago, and a lot of what he felt he wasn't getting a big enough share and of course, now they recognize his farming business a lot more than they used to and then there's reclamation carries a lot more say than it used to be. It's just a change with the time. 20 years ago or 15 years ago, environmental problems were very minor, people didn't seem to be so concerned as they are today. And a lot of that change is recognized in the law.

#032 BC: Fort McMurray would be a good illustration of reclamation wouldn't it, that would have come in in the last 20 years I would think, would it, where they have to reclaim the land except that it's much higher when it's finished?

EL: But that's more in the mining business I think than in the oil business. But it's still there, yes. Your clean up is a lot more carefully done than it used to be. But that's been, really not the most important thing.

BC: What would be the most important thing?

EL: I think it's that the environment generally. You just recognize that there's more people.

For instance in the Leduc area, when we first went in the Leduc area it was real country and Leduc was, well, it's west of Leduc but now that is filled with small holdings. There's a tremendous number of people work in Edmonton and live in the Devon area and things you could do and were perfectly proper to do in 1948 aren't today. For instance if you were building a gas plant in that particular area, the problems that you have with sulphur emission, you've got to be very careful with that today than you did a few years ago. Because you're endangering a lot more people. And I think that's one of the ways of evolution ??? in law.

BC: The recent well that ran wild that caused a great deal of consternation around Edmonton because they were getting the fumes, do you think that will result in another series of legislative changes?

EL: I don't know, I can't say but I don't know. There's bound to be some reaction.

BC: You've been quite involved with environment and conservation.

EL: Yes, I'm on the Environmental Council now but for another reason. I was on the noise pollution studies in the last 2 years which ??? just came off last August. That's a very interesting subject of its own.

BC: Is it involved in the oil industry too?

EL: No, very minor. The only problems there are field . . . the noise caused by drilling, pumping and of course, gas plants, which are important and seriously have to be considered when dealing with noise but it wasn't primarily because of gas and oil that I was on the panel.

BC: No, you were on for other kinds of noises perhaps than just gas.

EL: I was dealing with noise generally, and all noise.

BC: Certainly if you were on an oil rig today you'd find a lot of people wearing ear coverings wouldn't you?

EL: Yes, which they weren't years ago. Of course, that's true anywhere.

BC: Yes, it's interesting isn't it, how on the one hand you have them with the ear plugs, on the other side you have the youngsters with the ears with the radio down the. . . I don't know they'll need a hearing aid perhaps.

EL: Yes, it's very controversial.

BC: One of the things that I wanted to get into in discussion is the image that Imperial Oil had to have, the public image. It owned so much land and so it was doing a lot of negotiating and yet, it had to also, I'm sure it was very conscious of the fact that it had to have a good public relations image. Did this cause any concern in your department, were you involved with this at all.

EL: No, because I think Imperial was very proud of its position and the people that worked for Imperial of course, were proud to work for Imperial. They considered themselves Canadian, although the major shares were owned by Standard New Jersey, they certainly considered themselves a Canadian company. I think it was a great shock to most employees when the public were sort of told and the government took a kind of an anti-American view of Imperial and other companies because nobody ever thought of it that way within the company. They thought they were doing everything for the best of Canada and the best of the province. And they were actually very proud of their position. And

everybody felt that way, it wasn't . . . it was just a great company, we'd found oil in western Canada, we were developing the resource and we were doing the best we could with the gas and it was just a great company to work for and we were very proud of it. And I think because of that attitude the public relations were very easy to carry on. And you would bend over backwards lots of times, if the situation came and it looked like you were being a little overpowering or something like that, there was no reason why you couldn't bend. And you certainly did a lot of things that are ??? hard to do today.

#093 BC: Such as?

EL: If the drilling company that you were dealing with was starting to lose money you might just change the contract right in midstream and help the fellow out in some way or there might be some other area that was harming. . you'd switch it overnight. Even with governments, if you saw something that you thought the government was doing that was wrong you had no hesitation in phoning them up and saying, now look, maybe you shouldn't do it that way, maybe you should go another route. And of course, the government people were talking to us on a daily basis, which they don't today, they just barge ahead, as far as I can tell and then find out afterwards that things are wrong. There's not the same freedom of discussion, particularly with oil companies that there was.

BC: When you were liaising with the government who was your major contact in those earlier days?

EL: Normally it would be the Minister of whoever is in charge of mines and minerals would be the number one and then his deputies and then you got to know his deputy and then you got to know the different administrators under him. Because you'd see them regularly and you'd have dinner with them and maybe play golf or something. It was a very friendly atmosphere. You certainly had different ideas at times, you were bound to have that but you'd try and negotiate and you tried to resolve problems as they came along.

BC: Without having to sort of go to an arbitration type of thing?

EL: Yes, generally. But there was an arbitration process sometimes but anyway, that's. . .

BC: One of the areas I was thinking of where Imperial would have to show a lot of diplomacy and that would be sometimes in leases with the farmer or I'm sure in a rural area you would have come across a lot of potential lawsuits that you might want to bring or someone might want to bring because of alleged problems with land use or. .

EL: Well it was more a fact there were very, very few lawsuits in that area. We had a standard lease that was worked on by a lot of people and was the result of certain compromises and we used that standard lease and most lawyers recognized that it was the lease in use and it was a kind of. . let's put it another way, no lease is absolutely standard because different companies would have different ideas but basically it would be the same terms. And the lawyers knew those terms that were acting for the farmers and it was very little discussion, very little change. They were accepted, if it was Imperial well, people relied on Imperial and the fact that they were getting the best deal.

BC: When you were with Imperial when they took over at Atlantic 3, just in I guess. . .

EL: Yes, well, Tip Maroney came up from Oklahoma as a drilling expert and I didn't have too much to do with it. He was actually I guess the person responsible for putting it out. And

of course, our concerns and the lawyers were mostly, any damage that might be done to our acreage or ??? we had to make sure the possibility of blowouts were covered and the insurance and that sort of thing was correct.

#141 BC: Was this a rather hair raising time when all this went because of all these law problems, the potential problems I should say?

EL: They had to be looked at but everybody was learning during this period, every Canadian because very few people had experience and as situations came along you had to look at them and try and change your documents that you had to cover the problems that might arise. I mean, here you had a big flood of oil and big dangers and if it ignited I don't know what would have. . well, it did ignite but you had all kinds of problems that you couldn't foresee but once they happened then you recognized they were there then it would be your duty to try and make sure they didn't happen again or if they did happen that every contingency was covered by insurance or some other method that could minimize the liabilities to the oil company. See, a lawyer in an oil company worries about preventive law as much as he worries about the law as it exists when circumstances arise.

BC: So ready for any emergency.

EL: Try. For instance in the Mine Ministers Conference we had a special committee one day set up on underground storage of gas and ??? Brian Dixon, who's now on the Supreme Court of Canada was a member and our job was to try and foresee the problems that could arise if you used a storage area that had been depleted of gas to put gas in and deal with the law that would be needed to pass legislation to allow that to be done and worry about the Constitution??? between the province and the federal governments in using gas underground and then moving it out in other provinces. Quite a lengthy document, it took us some months, maybe a year to do.

BC: Very complex, moving across borders.

EL: What we were trying to do was try to convince the government that this is what you can pass law to do and this is what the federal government is controlling. In other words we were trying to set it up in advance rather than somebody, which they've done since then, took gas underground and not had legislation to cover the different aspects.

BC: You say they have done this since, they've put it under without having the legislation. .

EL: No, no.

BC: Oh, they've got the legislation.

EL: Some legislation and regulations.

BC: Right. So that it was . . .

EL: But at that time nobody was too certain exactly what their rights were. And I can't remember it all but I remember it was quite a document.

#181 BC: What are some of the other markers like that that you can remember?

EL: As I pointed out previously, ??? had ??? pipeline act and the pipeline division and the CPA, plus the lawyers and the provincial lawyers would come up with a model act that could be used basically to move gas within the province and then gas outside the province. There were a number of things like that.

BC: In doing that, because you were a member of the petroleum industry, was there any, not confrontation but differences of opinion between yourselves and the government as to how this would work best?

EL: Oh yes, all the time but the Directors of the Petroleum Association plus the government would try and resolve the differences and then we would come along after they'd said this is the principle we want you to follow, give us legislation on it and we would write the legislation. We had some input into the differences and if the differences were broad enough you might even have to make two kinds of. . you know, that you could use this clause or this clause. There were differences. In unitization we'd use our ideas and they'd come out with something different. You see the model, normally the model was just a number of clauses that could be used by a government and [passed along]???. Now they would have to take those model clauses and adapt it to their policy. Sometimes when the act would be a Bill, you'd see it in a Bill form, you'd find that it would be changes quite materially from the model. In other areas it would be 100%, there wouldn't be any changes.

BC: Who worked with you on this committee?

EL: Oh, there was a number, Russ Henricks??? was head of the law department of Shell, there would be Dick Williams who was with 2 or 3 companies, later General Counsel of West Coast Transmission, Ed Braden at Mobil with Don McFarlane, who's presently the General Counsel at Mobil. I guess they were the leaders but there's other that I can't think of. Some of the younger lawyers of companies would be in the legal department too, one time it would be John Brown, Ronnie McGinnis was in our law department had something to do.

BC: This would of course, give the young lawyer tremendous opportunity to really dig in and find out, was this sometimes used for instance, in Imperial Oil, was this used as training?

EL: Sometimes you'd ask for research to be done by some of the different lawyers or you'd ask their ideas. Well, ??? I mentioned but he wasn't so much in legislation, he was in ??? agreements mostly.

#228 BC: Who would finance the time, I mean the time you would be away?

EL: Imperial Oil. In 1966 I was sent to Australia because of this background by Jersey, they paid for it and I went to Australia just after they found oil and discussed with the government there different areas of legislation. They weren't quite as receptive as the Canadian people were but they listened to us. I think we were some help.

BC: Yes, I have this down, Australia in 1966. Now that you've brought it in, perhaps we should discuss this, what brought it about and what you did while you were there?

EL: Standard of Jersey found oil and gas off Bass??? Strait and there was very, very little legislation on the books in Australia and there was a number of oil companies starting in there and they thought it would be helpful to have me and I guess I was the only one that had a lot to do with legislation in Canada, to be available for the governments in Australia. So we . .

BC: Is it run rather like we have here, like the provinces each have oil rights the same as Canada?

EL: Very, very. .

BC: Rather than it is in the States?

EL: And we had a lot of model legislation for them to look at and discuss. I guess I spent a lot of time in New South Wales on their gas contracts, about the last thing I did there was to sign the gas contract and then I left, after a little over a year. But it was a great experience, I met a lot of people in government, whether I was that influential I don't know. I remember having a meeting with ??? [but he drowned shortly after the meeting]???. We did a lot of lobbying, I guess while we were there we were more lobbyists than we were cooperative with the actual drafting. although they listened quite a bit. So it was a great experience. And then I became senior legal advisor to the company in Australia and New Zealand.

BC: So you stayed on?

EL: Just over a year.

BC: When you went over in the first instance that was just on loan from Canada here to just discuss. . . ?

EL: Just for a year, ???

BC: What's the major difference between their petroleum legislation and ours, would you say?

EL: The biggest problem that they had in Australia was that they found oil and gas in the first two wells and it was very, very difficult to convince anybody that oil and gas was hard to find and it took a lot of doing to get them to believe that it was a costly business and wouldn't always be successful and that you had to get concessions. Of course, they started out working with high royalties and just being pretty hard to deal with all across the board and it took a long time to get them to recognize that you can't always find oil and gas. And then if you can't find it you've got to have some reward on your successes to make up for the deficiencies.

#289 BC: So that over all you've got money to keep investing in finding it, yes.

EL: That was the biggest problem they had politically. And as I say, they found oil too early.

BC: After the first two, how successful were they?

EL: Well, they didn't find any in the Bass Strait for a long time. And then of course, they didn't understand the movement, the transportation of gas and the problems you had to get it from offshore on to land and the costs involved. It took a lot of discussion. It's all a compromise, everything is. The company's trying to get the best deal they can, the government's trying to get the best deal they can and somewhere in between is where legislation falls.

BC: Was it similar in New Zealand?

EL: No, New Zealand was a completely different pitch. They didn't have anything and they hardly had any natural resources and they were trying to encourage gas and oil, they did find some gas there. They were a little easier to deal with because the need was there and they didn't really know what was going on, so we had to educate them and then get them to pass legislation and be the carrot???.

BC: Just going back a bit I have a note here about Judy Creek gas in '69, were you involved at

all with that.

EL: I probably was but I don't remember too much about it.

BC: What I have here is a not about Imperial wanting to build its own plant in Judy Creek and some legislation as to whether they should or should not.

EL: I can't remember. I know we had a lot to do with it but I think. . at that time I was kind of specializing in hearings before the National Energy Board and that sort of thing and I think Fred Kelly was being on the Judy Creek.

BC: So he might know more about it.

EL: Well, he's deceased.

BC: Yes, that's too bad.

EL: I don't remember too much at all.

BC: The National Energy Board we haven't really gone into too much but they tie-in between the Canadian Petroleum Association and the National Energy Board, you were very active with both of those organizations.

EL: Yes. The National Energy Board of course, was an independent group but I used to appear before them quite frequently, either on behalf of the petroleum Association or on behalf of Imperial Oil.

End of tape.

Tape 2 Side 2

EL: I've also appeared before the Senate Committee on Banking on behalf of the Petroleum Association in the House of Commons.

BC: What would you do when you would appear before them, let's take the banking, what were you trying to get?

EL: I can't remember exactly what it was. I remember one of the points that came up was the question of royalties, whether the Petroleum Association was paying too much royalty or not enough and of course, we were trying to get a continuation of the royalty in effect and there was some question or problem of whether the government was getting its fair share. I went down with some ??? to represent the CPA on the royalty problem, amongst other things. And we had a prepared brief and we had witness give evidence on the royalty and other parts of the world and what was done in different areas and then make a summary and then we were open to questions by any member of the Senate. I would lead the answers or ask so and so or so and so. And they were I thought, a very, very fair tribunal. Of course, at the same time there were people in other areas that they would listen to and one of them happened to be Andy Thompson on the other side, that took the view that the government wasn't getting enough money. He argued completely opposite to what I did, which was very good because the Senate knew that we were both publishing this book and they listened to both. He was there as a professor, an expert on oil and gas and I was there representing the Petroleum Association, at different times. But the same problem.

BC: This must have been rather interesting though, because you were really partners in your publishing and yet quite opposed in. . .

EL: Well, it made it kind of tricky??? to answer questions but it was easy enough to explain that was one of the points of issue that we didn't always get along on. The independence was important.

#035 BC: There is the whole business of working in the industry and the theoretical side of being in the university that might have made a difference.

EL: Andy was a little bit to the left, there's no question about that. I think his political indoctrination was more NDP than it was Conservative or Liberal. I don't think there's any question of that.

BC: In the negotiating and in the work with the Canadian Petroleum Association, looking back on what you did together, what would you think would be some of the landmarks that this committee was able to do? It's a very big question, I appreciate.

EL: On the legal side, which was the one I was on mostly, the biggest one was helping with legislation and trying to get the points across that the oil industry wanted. And if possible putting it into language and then legislation.

BC: What would be the biggest disappointment do you think, in working in that direction, were there any. . .?

EL: I can't think of any that were really. . . I suppose when Peter Lougheed came to the government and changed some of the provisions, particularly the provisions on royalty it was a little bit of a shock. Because we thought that once a government has accepted a contract they stand by it, but he changed it. I think everybody in the oil industry was a little bit shaken up that time.

BC: Was there anything legally that could be done?

EL: Oh no. Because parliament within its own field, or the legislature within its own field is completely in control. The only argument you have against it is just based on precedent, that they've never done it before.

BC: Did you try to argue that?

EL: Oh, we tried to argue but didn't get very far.

BC: I had written down royalties because you mentioned them before. There are those that feel the change in the royalties back then, this would be 10-12 years ago is really one of the major causes of some of the problems today. Looking at it from a legal point of view, would you say that could be so.

EL: No, I couldn't say that. There's a lot of give and take and there's a lot of. . . I mean the Petroleum Association will always take the position the royalties are too high and the government will always take the position they're too low and it's somewhere in the middle that the oil companies have enough to explore and carry on their business and the government gets its share. If that's a fair share I don't know, I don't think anybody knows. I think I mentioned the other day when I went up to see Mr. Keirnan, who was Minister of Mines in British Columbia at one time, argued on behalf of the Petroleum Association that this clause he had in his act was carried through, that people wouldn't come into the province anymore. And he told me that he'd had some oil companies that said the same thing privately and mentioned one company in particular and I saw him about two months later and he sort of laughed and said, remember that discussion and I

said, yes and you remember I told you that this oil company said they'd never come into B.C. again, I said yes. He said, well shortly after that somebody found quite a major discovery in northeast British Columbia and we put some land up for sale and the first guys in the door were this company that said they'd never be here again. So all I could say was Mr. Kiernan, considering the circumstances at the time, what I told you was correct, but now you've had a big discovery and circumstances have changed and people are changing their mind as a result.

#081 BC: What was the difference, how much more in royalties did Lougheed. . .

EL: I don't remember.

BC: No. I just wondered if you could remember to just put it on the tape at this point. I have one or two names of people that you have mentioned that perhaps you might have a little bit more to talk about. Mr. Thompson is one that you have mentioned, can you paint a bit of a picture of him or any anecdotes?

EL: No, Andy is a very bright lawyer. He's taught law all his life. As I say, he was acting Dean of the University of Alberta for awhile. He's had a lot to do with the Law Foundation at the start and getting it rolling. He's been quite influential in some of the laws that there are on oil and gas, in particular I think he's advised some companies in certain areas of legislation ??? He's quite an individual. And then of course, I think he was Chairman of the Energy Board, I think they call it of British Columbia and he's been on a number of hearing there and he was a very close advisor to the Minister of Mines when Barrett was the Premier of the province. He did work on occasion for the present Premier, Bill Bennett, but he's gone back to the university. So I mean, he has had a lot to do with it over the years.

BC: Would you say when he was up at the University of Alberta he probably was very influential in steering some of the bright young men into the oil law here?

EL: I don't know.

BC: And you mentioned Don McFarlane and John Ballam, some of those. . .

EL: Those were lawyers in the law department of. . . John Ballam of course, has gone on to set up his own firm, which is a large law firm today and he specializes in appearances, particularly in gas, for the National Energy Board and does a lot of the negotiating for oil companies with governments.

BC: Was he with your firm at one point?

EL: He was in the law department of Imperial Oil yes.

BC: Did you hire him?

EL: No, he was hired in Toronto and came out to Calgary.

#111 BC: What about Mr. Hamilton, now Mr. Hamilton was the man who really hired you?

EL: He was the General Counsel of Imperial Oil and then became a Director shortly after the time I was hired. I couldn't say how much influence he did have in the oil business, per se. He was a leader in the company itself and had a lot to do with policy and certainly understood oil and gas. And I guess in the very early days of Leduc he had a lot to do with what happened from a law point of view.

BC: Can you think of any stories about him?

EL: No, he was in Toronto and I saw very little of him.

BC: Right. Now Mr. Art Bessmer you did see.

EL: He was the Counsel solicitor at the time that I was hired, he worked for Hamilton and of course, Art was a great draftsman and he had a lot to do with the. . I think he worked with Mr. Hannah who was with the Benner???, Hannah firm in the drafting of the lease. Hannah was an old Scots country solicitor and I think between he and Art Bressner, the original petroleum lease used just prior to Leduc was their work. And a lot of the agreements at that time were drafted by Art. Art was and still is a great draftsman.

BC: So you're very fortunate then to have worked with him.

EL: Oh yes, he's a very brilliant man. He's a real academic type, unfortunately he had his own problems in practice but from an academic point of view he's a great lawyer.

BC: Mr. Kelly who is now dead, but Mr. Kelly, that you worked with too. . .

EL: Well, Fred Kelly was again, a tremendous draftsman. When situations were put before him he could turn it into language and he had a lot to do with the unitization agreements. I guess as much as anybody in the west. He took the American unit agreements and unitization agreements and. . he was one of the fastest draftsmen, he'd go to these meetings on unitization and people would discuss a point and come out, it should be in the act and an agreement would be drafted over lunch sort of thing and they could discuss it in the afternoon. Very, very able in that way in this particular field and he became a specialist in it. As far as Imperial was concerned he headed the drafting side of that particular field, which was pretty major.

#148 BC: Yes, it would be as things were changing and shaping, it would be essential, wouldn't it.

EL: I had a lot of respect for Fred.

BC: Did he work more sort of in the background doing this?

EL: Yes. He wasn't the sort of fellow who pushed himself too hard, you know personally but if things needed to be done, he was there.

BC: You were the Regional Counsel for Imperial and then you took an early retirement.

EL: Well, I was Western Counsel at that point, which was all western Canada. In every area, that covered the whole. .

BC: That was a rather horrendous job. You would be in charge of everything to do with Imperial, yes.

EL: At that particular time, in about 1971, '72, they started to move the producing and exploration phases out of western Canada to Toronto. The policy of the company and it's written up in other spots is that ??? the oil potential and gas potential of western Canada was at a pretty low ??? and that they wanted to get into the offshore and the frontier areas of Canada and they were starting to drill more in the Arctic and offshore and that these things could be administrated and handled in a better fashion right in Toronto because that's where the head office is, that's where the major management is, rather than western Canada. So they started to move people from the west, east and I'd always made it very clear to the company that there was no way I was going to move out of western Canada,

particularly at my age. When they started to do this the job I had wasn't quite as important as it used to be and it became what they called a training job and I took an early retirement. And the fellow that later became General Counsel took it over.

#177 BC: Who was that?

EL: Rogers, George Rogers. Who is now General Counsel and he got the experience of running his own department.

BC: And then went back to Toronto?

EL: And then went back to Toronto. And then of course, subsequent to that they moved back to . . .

BC: I was going to say, times did change.

EL: They set up the Esso Resources and then it moved out to western Canada and all these functions that were carried out by their producing department are now carried out by this department. As you find written up it was a very expensive experience, to buy their way back into western Canada. Well, they recognized that they were wrong in their appreciation of what was here.

BC: Did you work as a consultant at all with Imperial after you left?

EL: I did a number of hearings for them, for about a year or so and other people. And I took a position with the Devonian group, on a retainer for half my time at that time.

BC: Yes, that's what you moved into, the Devonian Group of Charitable Foundations.

EL: And then the other half of my time I took hearings for a number of other companies, not too many but I did work for some of the oil companies.

BC: What were some of the hearings involved in?

EL: They were normally gas hearings, the supply of gas, or special applications. Whatever. . .

BC: Do you still do that at all?

EL: No, I haven't done it for quite some time.

BC: You're entirely involved with the Devonian?

EL: No, I'm through with them now. I just keep a desk in an office here. . .

BC: What did you do when you were with the Devonian Group?

EL: I ran the Main Street Program and that's the program where the Devonian Group gave between 6 and 7 million dollars to towns in the province of Alberta to clean up and fix up their Main Street, put in parks and put in trees downtown and get their merchants to fix up their frontage of their buildings and just smarten up the town generally. We have 161 towns out of a possible 200 come into this thing.

#210 BC: That's quite an admirable score isn't it?

EL: You can go through the province and if you know what to look for you can certainly see a big change.

BC: The Devonian Group has really made its mark across the country. Perhaps we should just.

EL: Well, Eric Harvie. . . it turned out that money that he put into the foundation is somewhere around \$70 million and his principle was that it was both the capital and interest was to be used for projects from coast to coast, primarily in western Canada and particularly in Alberta, to do things that are in the public interest in the areas of parks, some applied

research and heritage and getting to areas where it wouldn't be done without this help or it wouldn't be done for a number of years. And he also recognized that inflation was going to play a big part of this and that if we didn't have the right to use both interest and capital we couldn't do a lot of the things. And he suggested that 10-15 years would be the maximum and at that time he wanted it to be completely dissolved and it's about 10 years now. And most of the money is gone and we've operated right through Canada and my particular interest was Main Street. For instance in the city of Calgary we've got the Devonian Gardens and the little park on 8th and 8th and then there's the pathways right through the city, along the roads.

BC: Those were all Devonian work too?

EL: Fundamentally, the city of Calgary and other people have contributed some . .

BC: But you really spearheaded it.

EL: We started it. And the same thing in Edmonton, we've got major parks. And then out in Vancouver we put the path on the. .

BC: All the way around the park.

EL: The outside of Stanley Park, which caused a lot of controversy. You've got ??? You've got a number of parks throughout the province which are being developed or are developed, we've got 10 cities and towns under the Main Street program and we talked to the government [to tell them what would]??? go along with this Main Street program or park program but we were trying to limit the amount of money that we had and they thought that this was in the better interest to carry out a park program in the long term for the province. Whether they'll carry out the Main Street I don't know but we showed that it would work, which it would. And then we ??? the east coast, we helped with the Marine Museum in Halifax, we've done a lot of restoration with heritage buildings in Halifax.

#260 BC: Mr. Harvie was very involved with the Prince Edward Island and the Confederation, did the Devonian Group carry on anything else there at all?

EL: No, gave the original money to get it going and they've been after us a lot but we haven't, it seemed to be outside what we were trying to do. What they wanted was operating money rather than any to get something going. It's been a great organization.

BC: It's kept you very busy. Now you say that you're finished with them now, so what are you doing, you really are retired?

EL: No, I'm a Director of half a dozen companies, including Canadian Superior and Falconbridge Nickle and the Alberta Opportunity Company.

BC: The Alberta Opportunity Company, what is that exactly, perhaps we should just put that down.

EL: It's what they call a lender of last resort. It can help any small business in the province of Alberta, where for some reason or another they can't get assistance from any of the recognized banks. Even if they have an established credit rating, for instance young people trying to buy into maybe some ??? business they've been with for a number of years or something along those lines. Or maybe do some loans on a longer term than any of the banks. But it has to look viable in our thinking, we're not there to give money away

but we're there to establish businesses in the province and help them and we take a bigger risk than any bank will. Our loss rate is somewhere around 8% where a bank has to be around 1 or under.

BC: Who sponsors this company?

EL: It's a Crown corporation. But it's got \$300 million under it's act, it's a revolving thing.

BC: So you really have, besides being very much a part of the changing of the statues in the oil business, you've been very involved with the people of Alberta in different ways.

EL: Yes. I'm Chairman of the Glenbow Museum at the moment. And I've been President of the Calgary Chamber and the Alberta Chamber. I was President of the John Howard Society, Calgary Zoo and I've been on Heritage Park for a number of years. I'm not there now but I was.

BC: But you've been there certainly when they've been developing, like with the Calgary Zoo, you were there as they were. .

EL: When they started their present development I was President.

BC: That's what I thought. So you've been a very active person in the development of more than just the oil company.

EL: And then I was Chairman of the Public Relations committee of the Canadian Bar for 10 years, which was in the last. . till 1966, I left in '66, when I went to Australia.

#311 BC: That would be too, because lawyers aren't always seen in the best of lights are they. Just the person you go to in trouble and forget about when. .

EL: A lot of them don't understand public relations. They can't understand why they're misquoted.

BC: Looking back over your work in the oil industry, what would you think of as the most satisfying part of your career in the petroleum industry?

EL: I suppose the influence that I've had on legislation and the fact that I've been able to help in its development. And try and be fair to both sides, both government and the oil industry.

BC: It must have been a continuing challenge.

EL: Oh yes. And I've got to admit that Imperial Oil was extremely helpful and they gave me wide scope and there was very, very few times I was sort of told that this is the way it's got to be.

End of tape.

Tape 3 Side 1

- BC: The fact that you had this scope with Imperial, it's not always the case with a giant company.
- EL: No, and I think it's changed, I think that probably the pioneer freedom we had, and I'm not only talking about myself, I'm talking the senior people, the Don McKenzie's and the Vern Taylor's, people that were in the company and Tip Maroney and these kind of people who were pioneers and they relied a tremendous amount on our ability and our own experience and what we thought was best. We had the feel of western Canada, we had the feel of Alberta, all western provinces, we knew people and it was amazing, when you think back on it, how little control they actually took in trying to direct what we were doing. Now they gave us all the help in the world, if we didn't think we knew we'd either phone up or write down and say, can you give us help, what do we here, we had all the expertise. And I don't think that's there today. I'm not only talking Imperial, I think any company.
- BC: Do you think too stratified?
- EL: They're now putting in their own. . they've got government relations which sort of one man is more or less responsible rather than people in their own expertise.
- BC: Sort of like a giant public relations, which doesn't always do the same job as individual public relations. You mentioned Mr. McKenzie, you worked together, Don McKenzie, for many years, can you tell me a little about Mr. McKenzie from your point of view?
- EL: I've always felt and I'm not alone that Don was instrumental in so many things in western Canada, a very brilliant engineer and he seemed to be able to recognize the situation of the company and government or anybody else that he was dealing with. He was a tremendous negotiator and he smoothed out a tremendous number of problems.
- BC: Can you think of any particular things, instances or is this difficult just on the spur?
- EL: I think Don had a lot to do with a lot of the drafting that I got mixed up in because he could give me ideas and he could be critical of my own ideas. And when we were making briefs to the government on different things, for instance, and allowances was a good example, ??? before the Alberta Conservation Board he would draft the thing himself and get the ideas and do a lot of the drafting and the finished brief would be either Imperial Oil's or the Petroleum Association, it would be a lot of his own drafting, his own work. I would be just the voice that would carry it before the Board. He was in my view an extraordinary person and very quiet, nothing extrovert about Don McKenzie. In fact that was his problem, he was always a little shy or gave the impression he was shy.
- #036 BC: He didn't feel he had to blow his horn at all?
- EL: I don't think he ever did. But you know from his history that he was extremely well

thought of because I think he was made a Director of Imperial Oil and he resigned and they gave him his old job back. And that to my knowledge only happened twice in Jersey. There was a fellow in the Carter Company, I can't remember his name, that did the same thing. And Don, and then of course, after that, they sent him to Australia and then Europe as a direct ??? or Europe. I have nothing but admiration for Don McKenzie.

BC: There were many who feel he should have been President of Imperial.

EL: But I think he didn't want it. I'm not actually saying he didn't want it, I think the fact that he quit being a Director, came back to Calgary was evidence that he didn't want it. He didn't want to be a Director, he wanted to live in Calgary, he liked Calgary and the people here. I don't know whether ???, I don't know.

BC: He sounds a little like you, you liked to live in Calgary and that's why you wouldn't go back, you didn't even go back for a little while, you just said no.

EL: And he's been very influential in his time, he just could argue and he had the ability to listen to a number of people and pick the points and tell you what was wrong or right. I think everybody that ever worked for him had tremendous respect for him, it didn't matter what their discipline was. And he'd certainly stand behind you too, if you did something, you might be wrong but he'd still say, okay, people make mistakes, let's try better next time.

BC: Working for giant, as Imperial was looked upon, it could have many attributes but there would be some problems I think too, at times, of being part of this great huge company.

EL: Oh yes. Anything the size . . . the biggest problem you've got is things sort of getting lost in the mill kind of thing. Maybe the President of the company makes statements and you make a statement without knowing he made it and there might be a conflict. It's very difficult to keep things in. .

BC: What about relationships with other oil companies, because you were the Big Daddy sort of?

EL: Well, normally that was done at a pretty good level, it would be the Don McKenzie's and I think from a legal point of view it would be me and usually the department heads. And in negotiations, they had a special department for that. That didn't seem to be too much of a problem. But in those days you could get questions answered very quickly. You had ??? and had meetings twice a week, management meetings which I attended and if you had a problem you could get the answer. It would be discussed and you'd have an answer very quickly.

#072 BC: And meetings would be held with all the heads of the all various departments so you would be in touch constantly with what was going on.

EL: Yes. You'd be there twice a week.

BC: Did you find sometimes that it was quite a community responsibility being part of such a big. . because you certainly were involved continually in community activities too?

EL: I mean I sort of liked it, it was something I like to do. Maybe I was an extrovert in that way, I don't know. I ran into problems, the General Counsel were always complaining about some of the outside activities, a number of them, but I tried my best not to make them a conflict. I mean they were in the evening or Saturdays or something. For instance,

the Army never took any day time interference that I know of, it was 1 or 2 nights a week and something I liked to do and weekends and my holidays. I was on the Glenbow Museum for awhile and that takes a couple or three hours, four times a year or something like that. But he used to complain sometimes that I got too much involved. But the western people, that ran the western Canada, the fellow was excellent because he kept the position of Imperial before the public and showed that we were interested in the community, not just trying to get the bottom line all the time. And they encouraged not only me, but other people to do those things. Jerry Burden was my number two man and Jerry was Chairman of the School Board for a long time and Chairman of . .

BC: Mount Royal College fairly recently.

EL: Yes. And he did quite a few things the same way. Jerry did a lot of the day by day work that I didn't though he was in charge of all the agreements, the farm outs and things that came through. I did the legislation and hearings and stuff. So there wasn't a real problem.

#100 BC: Are there any people that you'd like to mention Mr. Lewis, before we wrap up the interview, people that you have worked with that you feel have either been influential in your life or indeed have been very important in the . .

EL: Well, I think Tip Maroney, I think you've got him on your list. Tip's been one of the top drilling men in western Canada and certainly had a lot to do with the industry as it developed. He was Production Manager of Imperial and I would go to him any time I needed expertise or help in the production areas or the drilling areas. In legislation before we'd send it out as a model we'd ask him to review it and see if it fit the pistol kind of thing. Bob Wells??? was similar to that in the gas, he was head of the gas department. Those two were very close friends and extremely helpful in anything I did. They were part of the team.

BC: Can you remember any particular incidences where you had to all work as a team?

EL: Well, I think mostly in drafting, or in unitization agreements or any agreements. If it's a model you've got to have their help because they had a lot more background experience than we did, particularly in the field. You would have to show them documents and say, are we doing anything wrong. If you're drawing a gas purchase contract, which we did, a model purchase contract, you couldn't do that without the help of these kind of people that have been in the business and understand the technical and you would ask, not only their help but maybe their department. So you worked together, it wasn't a one man show by any means. It was partly knowing who to go and talk to and then getting expertise. You wouldn't be above telling the government, this contract's been reviewed by the gas department and Tip, we had their help because they'd know who they were.

BC: They were well respected throughout the industry obviously.

EL: I'm just using the people in Imperial, there were a lot of others around. Other managers, Paul Kartsky, who's now deceased was a very influential fellow. He was head of Shell for years and he was similar to Don McKenzie, people had high respect for him.

BC: Was Mr. McKenzie the Manager most of the time that you were. . ?

EL: Yes, on and off. Vern Taylor was around quite a bit too.

BC: Yes, of course. But I think Don was more than anybody else.

#133 BC: Did we talk about Vern at all, I don't think we did.

EL: He became a Vice-President of Imperial, Director of Imperial. But he was like Don, he was I think a geologist, but he was influenced very early in the early days of Turner Valley and then he grew up. He was a different type of fellow than Don was but extremely knowledgeable.

BC: It must have been very exciting when all of you had all this knowledge to share.

EL: Even Bill Twiggs??? was out here at one time, when I joined the company. He was a fine??? guy. But this was. . I was dealing mostly within my own company in these kind of things. And then of course, Hubert Somerville, who was the Deputy Minister, he was extremely useful and helpful in this drafting. He had tremendous background knowledge too. And of course, he was the key man in Alberta for a long time. As Deputy Minister, what he did or what he said carried as much weight as anybody in Canada at that time.

BC: And he was very knowledgeable, which was fortunate because sometimes people who carry the weight aren't.

EL: And you could deal with him. He may disagree with you but he'd certainly listen, and think ??? and quite frequently he'd accept your ideas, and give you credit. He wasn't above giving credit to people. And as I told you there today, it was on his recommendation that 4 or 5 lawyers got their QC's in 1960, all oil and gas lawyers.

BC: Including you.

EL: Well, there was me, yes, there was myself, Henricks from Shell, Doug Williams, and Barry Macleod who was the lawyer with the Conservation Board and Jim Corbutt, who was the Alberta Manager of the Canadian Petroleum Association. And then the next time a QC was given in recognition for legal work was Don McFarlane about 1980.

BC: 20 years before they honoured another oil man.

EL: And the original one was done by Mr. Mann, on recommendation of Hubert Somerville, Hubert tells me and I think he's right. And then of course, the principle now, I guess still is, you've got to be a leader at the bar and the courts. So some honour was given us. We certainly weren't in the courts very much, we were before boards quite a bit.

BC: But it was an unusual thing to really present that many at that time, yes.

EL: It caused a little problem in the Law Society, they complained bitterly. We'd taken 4 or was it 5 of their spots and there was only about 10 that particular year.

BC: And this was very important for them when they were before the courts.

EL: Oh yes. That's about it I guess.

BC: I really want to thank you Mr. Lewis, it's been most interesting and I think you've traced us through the legal ramifications of Imperial Oil. I would like to leave the door open in case there are some questions that I haven't asked or I need to come back, I'll come back and continue.

EL: I'll be around.

BC: Thank you very much.