

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: John Poyen

INTERVIEWER: Nadine Mackenzie

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NM: This is Nadine Mackenzie speaking. I am interviewing Mr. John Poyen at his office, 335 - 8th Ave. S. W. Mr. Poyen, thank you for having accepted to participate in our project. When were you born?

JP: I was born on October 7th, 1915.

NM: And where?

JP: In New York City.

NM: What did your parents do?

JP: My father was in the oil business in Mexico, transporting oil from Vera Cruz, Mexico to the United States. Of course, my mother was down there with him. The reason I was born in New York City was my mother wanted to make sure that I was born on U.S. soil so she came to the United States on one of my father's tankers and just barely arrived in New York harbour in time to give birth to me the night that she arrived.

NM: Do you have any brothers or sisters?

JP: No, I was a sole son.

NM: Where were you educated?

JP: In high school I was educated at Hollywood High School in California. I went to one year at UCLA and then finished my under graduate degree in Economics Geology at the University of Colorado and got an Arts and Science degree from that and then I had a law degree also from the University of Colorado.

NM: Why did you choose these subjects?

JP: It just seemed like. . . they were subjects that I was interested in basically, economics and geology. I had no particular reason for taking them other than the interest in them. I had no future planned really at that time. When I took my law degree it was a matter of economics. When I graduated with my undergraduate degree in 1937 there really weren't any jobs available for either economists or geologists. I was luckily, able to get a scholarship at the University of Colorado to go to law school and also a full time job working for the university. So I was able to go for 3 years to law school.

#026 NM: Were you planning to become a lawyer?

JP: Once I took law I did think possibly I would but it was never something that was sort of bright star out in front of me, it was an outstanding education in business as much as anything, a law degree.

NM: And what about geology, were you planning. . .

JP: Geology, I never practiced geology really, in its pure sense. I just knew about geology.

NM: So it was really for your own knowledge?

JP: Yes.

NM: Did you take any summer jobs?

JP: Yes, all through my university career practically, I was a lifeguard, in the summers, for about 7 summers.

NM: And where were you a lifeguard?

JP: I was a lifeguard in Colorado Springs, Colorado, working for the city at their city lake and their city pools.

NM: What made you chose that?

JP: I was a good swimmer.

NM: That's a good reason.

JP: And it was a good job too.

NM: And after university what was your first post?

JP: When I finished law school and had been advised that I'd passed the bar exam in the State of Colorado I went into the legal practice with 2 elderly lawyers in Colorado Springs and practiced law and was appointed the United States Commissioner for Colorado at that time.

NM: And how long did you keep this job?

JP: Just about a year because then the war came on and I went to war.

NM: And what did you do during the war?

JP: I was in the U.S. Army Air Force.

NM: And what was your job there?

JP: I did some flying and I also did some intelligence work.

NM: Did you stay in the States or did you go abroad?

JP: I was overseas most of the time, once I got all my training. In the European theatre.

NM: Very good. And then you came back to the States?

JP: I came back to the States after the war was over and my wife had been living in Denver, Colorado so I started practicing law in Denver. I practiced for a very short time and I realized that the pure practice of law was really not for me, so I got involved in the oil industry with a drilling contractor by the name of Fred Manning in Denver, Colorado.

NM: Were you getting tired of being a lawyer or working with law?

JP: It just didn't turn me on as much as it probably should have. I wasn't that pleased with legal work and as a young lawyer, right out of the Army, I didn't have the kind of clients or the kind of a legal practice which was maybe suited to my mentality. As a young lawyer you get criminal cases and divorce cases and sort of the run of the mill, small legal situations.

#055 NM: So it was lacking challenge for you?

JP: Yes, and it really wasn't for me?

NM: So what did you do then, you quit your post?

JP: Then I left the law and I went to work for Fred Manning in his drilling and exploration production company.

NM: Here in Calgary?

JP: No, in Denver. But I was out of Denver, I was travelling a lot. I spent a lot of time in

Texas and in the Rocky Mountains where we were busily engaged. I was involved in both the drilling end of the business and the production end of the business and the land end of the business.

NM: How did you meet Fred Manning?

JP: I knew his two sons quite well.

NM: Rod and. . .?

JP; No. Fred Jr. and his son Bob, the younger son Bob. I knew them in Denver. They convinced me, with their father, that possibly I would have a future with the Manning Corporation. And it was with Fred Manning that I came to Canada in 1949.

NM: And what did you do in Canada then?

JP: Basically we'd had quite a lot of discussion about coming to Canada, it was just at the start of the modern day period of the oil industry up here and Leduc had been discovered in 1947 and Redwater had been discovered in 1948. Woodbend had been discovered in 1948 or '49 and Golden Spike and it looked like there was a great opportunity to explore and develop oil in Canada. So I came up here with 2 drilling rigs to get involved in the drilling business. But also, I was hoping, we, I should say were hoping, the Manning's and myself, that we'd make a deal with Mr. Eric Harvie, a lawyer here in Calgary and I believe his company name at that time was called Western Leaseholds or Western Minerals. Hopefully we would be able to assist Mr. Eric Harvie in the development of some very fine land holdings which he had, basically in the Redwater oil field.

NM: Did you succeed?

JP: No, but I came within 24 hours of succeeding. The deal that I offered Mr. Harvie was very acceptable to him. However Mr. Harvie had a prior association with Imperial Oil in which Imperial Oil was the lessee of a very large spread of mineral rights which Mr. Harvie owned, although they were not in the Redwater oil field. Mr. Harvie went to Imperial to see whether or not Imperial Oil would develop his interests in Redwater on a better basis than I was offering and Imperial Oil, and I believe it was more from a public relations point of view with Mr. Harvie than anything else, agreed to develop Mr. Harvie's oil interests in Redwater at a somewhat better deal than I was able to make. However, it was a very nice relationship, a wonderful relationship with Mr. Harvie, with his son Don Harvie and with his then manager, Hod Meech.

#095 NM: So what then did you do?

JP: Then I very luckily, I was able to put my 2 rigs to work on a contract basis drilling in the Redwater oil field and worked there for some time. Mr. Manning unfortunately passed away and his company was sort of splintered up to a point. I think his sons wanted to get out of Canada. So I got rid of my interest in the company and I went to work for Mr. Harry Bass, who had an exploration production company in Canada and also owned Cantex Drilling Company.

NM: Can we talk about Harry Bass, who was he?

JP: Harry Bass was a very outstanding and a very honourable oil man from Dallas, Texas. He was very wealthy, he had been quite successful in Texas. His original success had come from the East Texas oil field, which was sort of the root of his fortune. He just went on

from there. Again, Harry Bass had 2 sons, Harry Jr. and Dick. They were young men and they were coming along. Harry Jr. had an interest in his father's business and spent considerable time in Canada. Dick, who was a bit younger, did not have as much interest in his father's business and really wasn't directly involved in his father's company. but Mr. Bass had some very, very ingenious ideas, he had a great deal of knowledge and intelligence and also integrity within the oil business. One of the major things he did in Canada, which I helped him with, was the setting up of the Golead??? Corporation in Canada, which was a large. . . actually it was a large plant built in the Pembina oil field to extract propanes, butanes, etc. from the gas produced in association with oil in Pembina. I assisted him in putting that deal together and it was quite a success for Mr. Bass. But he was also successful in his Harry Bass Producing Company, which we got some farm outs from companies and developed 2 or 3 prospects for him and his Cantex Drilling Company, which was run by a man named Dick Harris, was also a very successful drilling company in Canada. Later, just while we're on the subject of Cantex, it's a coincidence to a point that my offices right now are with the Cantex Drilling Company, which was bought from Mr. Bass by Mr. Jerry Dearcy???, who is very well known in the oil industry and in the business circles of Calgary.

#130 NM: How long did you keep this job for then?

JP: As I say, I came up here in 1949 and I was associated with the drilling contracting business for about 3 years and then Imperial Oil invited me to come with their producing company, which I did in January of 1952. I came with the company and my title was Assistant Exploration Manager but really, my primary responsibility was to set up a new major department in the corporation which was called the Contracts and Unitization Department. Which then was responsible for handling all joint ventures in which Imperial Oil was involved, wherever we had a partner of any kind, farm outs, farm ins, unitization agreements, anything in which we weren't working completely on our own were my responsibility. I was a very lucky individual within the company because I was able to acquire from the producing department, a staff of people who represented all of the various skills of the producing department. Geologists, geophysicists, engineers, lawyers, whatever was required to properly put together a Contracts and Unitization Department and many of the people who were in my department at one time or another went on to bigger and better things within the Imperial Oil circuit. I think back to Frank Spraggins, who later became the President of Syncrude, John Hamlin, who later became a Director of Imperial Oil, Bob Lill, who is still very actively involved in the industry in Calgary. And I could go on and on but those were 3 or 4, they all received through their own interests and activities and background, a tremendous knowledge of the oil industry and went on to do themselves and the companies that they went with, a tremendous service.

NM: So how was it to work for Imperial at the time?

JP: I worked for Imperial for 20 years, from 1952 to 1972.

NM: And you started as Assistant Exploration Manager and when you left Imperial what were you?

JP: I was the General Manager and Vice-President of the producing department, which in

those days was an all inclusive descriptive name for exploration and production.

NM: So it was both in fact?

JP: Yes.

NM: What did you do as a Vice-President?

JP: I had just been made the Vice-President when I took early retirement. I had been the General Manager and as the General Manager you sort of administered and coordinated all the various functions of the producing department. The Imperial Oil runs on a committee type system and I sat as the Chairman of the Management Committee and our various department heads and department managers and technical people would bring matters in for discussion and decision. I was sort of the go-between, between the approved recommendations of the producing department and the Board of Directors of Imperial Oil in Toronto, as far as getting final approvals and agreement to go ahead with the various recommended programs that we suggested.

#176 NM: Did you have to travel a lot?

JP: I had to travel quite a lot. I used to have to go to Toronto about once a week with these various business decisions which we had made, which we wanted to then have final approval on from our Board. And then of course, Imperial Oil was owned substantially, about 69%, by in those days, Standard Oil of New Jersey, now Exxon. And of course, major, major decisions, which exceeded budgets or in some way or other, substantially changed budget planning had to be taken to New York City for final reviews and approvals by. . .well, reviews more on an informational basis, with the Board of Directors of Standard of New Jersey and of course, I used to have to go down and make those presentations.

NM: What about the relations of Imperial with the governments, federal government or the provincial government?

JP: Imperial, being the largest oil company in Canada, there were quite often the responsibility to discuss matters of national or provincial concern with the various political people, the various governments.

NM: So were you involved with that?

JP: I was very much involved with that, particularly the Alberta government. Mr. Manning was the Premier of Alberta during most of my career in Imperial Oil and he was a very fine leader of the province and politician. Basically, he was a very aware person as far as what the industry was all about and very prepared to meet with industry representatives and discuss problems which would have an impact on the policy of the Alberta government, in so far as it related to the industry. So those were ongoing matters and discussion which we had with the government of Alberta. We also had problems, or not problems but discussions with the federal government, although in my days the federal government were not nearly as involved in our industry as were the provincial governments. Of course, when I emphasize Alberta, that of course, Alberta was the hub and the basis of our operations but we did have government relations with Saskatchewan, Manitoba and British Columbia. But they were, I don't like to use the word secondary, but we weren't as heavily involve with those governments as we were the government of

Alberta, which was where 85% of our oil production was coming from.

#216 NM: Mr. Poyen, can we talk about Ernest Manning?

JP: Yes, within my limited knowledge of him and the context I had and my own personal views on him.

NM: What type of man was he?

JP: He was just an outstanding man. He was a man of tremendous integrity and morality to start with. He was a mixture of a politician, a deeply religious preacher and a very practical business man. It's very hard to find someone with that kind of a mixture. But he had all of those qualifications. And he was a very tolerant and a very fine man from a point of view of, once he understood what the common ground was between himself and the person. . . I'm thinking in terms of myself, the person he was talking to, he was a very understanding and a person who would sit and listen to the other person. Then he would come to his decisions and I'm in no way trying to suggest that he did everything for the oil industry that the oil industry might have wanted but he was a tremendous asset to the industry in the practicalities of getting this huge industry going and being a comfortable industry within the economy of Alberta and within the political responsibilities of Alberta.

NM: Was it because he was listening well to oil men here in Calgary, or Alberta?

JP: Oh yes, he listened intently. I think that was one of his great, great assets was the fact that he did listen. Generally speaking, he recognized the importance of the industry and of the free enterprise system which ran the industry in Alberta. Governed, controlled and in a way managed, but not really managed, governed and controlled by the government of Alberta but not so much managed by the government of Alberta. He allowed within the parameters set up by the government, he was very reasonable on allowing the industry to manage its own affairs. And he was basically, although he was a Social Creditor, that was at least the label under which he was a politician. It sort of gives the connotation of being a social type government, he wasn't at all. It was a very, very responsive free enterprise system that we were under, but with firm government controls. And I think in our new world that's the way we ought to be but we sometimes go off one way or another to our own detriment and to our public responsibilities.

#267 NM: Let us go back to your career, you spent 20 years with Imperial. How old were you when you started with them?

JP: I was about, I think 37.

NM: And then you climbed up to the top, well, you started at a high level too?

JP: Yes. Well, I think to the top as far as the producing side of the business was concerned. I never was involved in the marketing or the refining or any of those facets of Imperial Oil. Imperial Oil as you know, is a totally integrated oil company from the point of view of looking for oil and gas, finding it, producing it and then transporting and refining it and then selling the products.

NM: Looking back at your career with Imperial, what was the most exciting experience?

JP: My whole career was exciting, all through Imperial Oil. My association with the people

that I worked with was exciting. It was an era in which Imperial Oil made many discoveries, maintained a sort of front ranked positions within the industry, were a dominant factor within the industry and all of that was fun and it was all challenging. I had people in the organization, both working for me and working above me and working alongside of me that were most cooperative, that taught me everything I knew about the industry. The cooperation flowed in all directions and it was just an exciting career.

NM: What was the place of Imperial in the oil patch here in Calgary at the time?

JP: The place? It was the #1 ranking company in Canada and in Calgary.

NM: Then you chose to retire early from Imperial, why?

JP: I'll make it as very brief as I can. Every major company goes through changes in style. In the case of Imperial Oil in the early 70's, Imperial decided that all of its senior people, its general manager, vice-president types should all live and be officed in Toronto, at 111 St. Claire, which we used to refer to as the Ivory Tower. I was in that category and I was asked to live in Toronto. It was a consolidation of senior people. A centralization maybe is a better word. I did not agree with the philosophy or the policy. I felt that the person who was running the producing department, which had its headquarters in Calgary, Alberta, Canada, should live and be in Calgary where all of his working staff was located, where all the decision could be made, or at least recommended to Toronto. And it was just a basic difference of philosophy between the Board of Directors of Imperial Oil and one individual, John Poyen. It was not something that could be resolved very easily so I took early retirement because I was not going to. . . I knew that my philosophy was not going to be accepted. And it was, really as far as I was concerned, it was a very heart wrenching situation for me because I was very, very happy in the company. I was very, very happy in my job, in the responsibilities that I had and all and I was 55 or 56 years old and I thought I still had 5 or 6 productive years. But not living in Toronto and being an absentee landlord.

NM: This is the end of the tape.

Tape 1 Side 2

NM: Mr. Poyen, what did you do when you left Imperial?

JP: I went with a company called Total Petroleum North America, which was a partially, about 50% owned affiliate of CFP, Compagnie Francaise de Petrol, in Paris, France. Total had a relatively large exploration and production staff in Canada and it also had a relatively large refinery in Alma, Michigan and a very substantial marketing operation in Michigan. As a matter of fact, for a small company, so-called small, not a branded dealer company, we controlled about 15% of the total market place in the state of Michigan. So I went with them as the President and I divided my time between the exploration, production responsibilities in Canada and the refining, marketing and some exploration and production in the state of Michigan. So I did that for about 3 years.

NM: And then?

JP: Then I did have a few disagreements let's call it, with my French masters and decided that probably I wasn't performing in the manner in which they wished and they certainly

weren't providing me with the direction that I could sort of accept. So I left them. When I left them I went with the Canadian Petroleum Association as the President of the Canadian Petroleum Association. I guess that they created, the Canadian Petroleum Association created the job of President, a paid President of the Canadian Petroleum Association, which they hadn't had prior nor have they had since. But it was a very challenging situation. That was in about 1975 or early '76 and we were just beginning to go through some of the traumas of the OPEC oil price increases and more government regulation, particularly from the federal point of view and all of those matters. In my responsibility as the President I was the basic spokesman for the CPA, along with the sort of elected Chairman of the Board. Each year we had a new Chairman elected by the membership. So each year that new Chairman and myself were, well, actually we were the joint voices of the Petroleum Association in government relations and in our relationships with the public too.

#035 NM: Can we talk about the Canadian Petroleum Association, what is the story behind this association?

JP: I frankly don't recall when it was founded but it was founded sometime in the early, middle 1950's. It was basically organized, it's always probably been somewhat tainted with the brand or the label of being the petroleum association of the major oil companies. Because basically its roots come from, the original founders were the companies, Imperial Oil, Gulf Oil, Shell Oil, Texaco, Pacific Petroleums, the large companies which were then active in the oil and gas industry. It, I wouldn't say unfairly but it was unnecessarily labelled as the association of the major companies.

NM: What were the reasons for founding this organization?

JP: To provide a voice, a unified voice where possible, to communicate with governments and with the public about what the oil and gas industry was all about, what its responsibilities were, what its goals were, how it hoped to do business in Canada and just to provide, I suppose originally it was a public relations oriented organization. But also, as it developed over the years, public relations are really also government relations. Basically it was to provide those relationships, those contacts with the government and with the public. Now beyond that, and also to be effective as a contact with government and the public, it did a tremendous amount of statistical work and it provided to governments the statistics of the industry. In other words, how many barrels of oil were produced in a month or a year or what, or how many mcf's of gas and things like that.

NM: So it was a go-between, between the public and oil companies and government too.

JP: I would say but it still, there was no public participation. Nobody from the public, the participation was on a membership basis and as a member, you were a member of the oil industry. But it was a communications medium, both to government and to the public fundamentally. And it was also a statistical service provided to government and to the public, if, as and when required.

#070 NM: How many members did it have at the beginning?

JP: I frankly don't know how many it has now. In the range of 60 or 70 companies. So when I

made my original statement that it was basically the association of the major companies, that's an oversimplification because the major companies couldn't live without the independent companies. They had to have the participation of what we then, and still now call, the independent companies. I suppose today Bow Valley Industries would be considered an independent company but it's a major company. I say that because I'm on the Board of Bow Valley. No, that isn't why I say it. But for instance, Bow Valley is a member. It's not what you call one of the 7 sisters or anything like that but it's an important company with the Canadian Petroleum Association. And there are many more, I just picked that one out as an example because I know them. It was a conglomerate and it is a conglomerate of the major oil companies and many of the independents, on down from those really major companies.

NM: As the President of the Canadian Petroleum Association what did your post entail?

JP: First of all, a basic responsibility was the coordination of the staff. Again, statistical analyses, general administration of the association and of the membership fees and all that sort of thing. Communications with government, the setting up of meetings between government and industry representatives or just plain meetings between myself and the Chairman of the Board or committees of the Canadian Petroleum Association and government. All of the statistical studies that were done, which were done for government and also for the industry. It was a fact finding, a fact gathering and a communications responsibility. And the communications went both ways, both up to the person to whom we were trying to communicate with and down to the membership as to what we were trying to do and on whose behalf we were entering into these communications.

NM: How large was the staff?

JP: When I was there we had about 8 or 9 people. It wasn't a large staff. Basically, a great deal of our work was done by a committee which was furnished by the various membership companies. In other words, engineers from all the membership, or statisticians or geologists or land men or whatever the committee might be responsible for would be volunteer members from the various memberships, membership within the association. Normally our job, the CPA's job was one of coordinating what those membership committees did.

#111 NM: As the President of the CPA, did you have to give talks?

JP: Yes, I had to give a lot of talks. Radio, TV, speeches to service clubs.

NM: Here in Calgary or did you have to travel across Canada for that?

JP: Basically we were, and maybe that was one of our problems, we were basically relatively self feeding. We sort of lived within the province of Alberta and told everybody in the province of Alberta what it was all about and I think maybe that was a weakness or something, that we didn't get out to Ontario and tell Ontario what the industry was all about. But we did, we were always available to give speeches on invitation.

NM: How long did you stay with the CPA as President?

JP: I think I was there for 3 years.

NM: And then what did you do?

JP: Then I just retired from the CPA and went into the consulting business.

NM: So you set up your own business?

JP: Set up my own business.

NM: How do you feel about that?

JP: I think it's great. I'm getting a little too old to fight politicians and the media and a few other things. It was a great experience for awhile but it became very frustrating when government, particularly the federal government, became so involved in the industry and decided to dominate our industry. Then it became a very frustrating experience. And I guess I was getting a little too old to put up with the frustrations of the public servants and the political masters in Toronto, I mean in Ottawa.

NM: Are you planning to retire sometime?

JP: I think I'm pretty well retired now, from active participation.

NM: But you are still working?

JP: Well, I keep books and I read a lot and I keep up to date on the industry but I don't really get involved in any major projects of any kind any more. I don't make up studies or represent any companies as I used to, in an active way. I don't like to be trite about it but I guess I'm what you might call a semi-professional Director. I'm a Director of several companies and I find I keep quite active in keeping up to the business affairs of those companies on which I'm serving as a member of their Boards. They keep me pretty busy and about as busy as I want to be. But other than that I stay pretty well away from being a formal consultant anymore. I don't mind being an informal consultant from time to time and I do some of that without any fees or anything and maybe my advice is about as good as the fee that I get.

#152 NM: I always wonder, why do oil men go on working? In some offices they would just retire and that's it you see. But in the oil patch it seems they go on and go on.

JP: That's right. I think I'm in the middle of that. I think I can still make a contribution on a Board of Directors. If I do my homework with the company that I'm with and can provide some policy type thinking as far as policy decision making. But I don't get involved at all in the nitty gritty of the oil industry anymore. So I really think I'm retired. I'd much rather play golf and swim in the warm waters of Hawaii and go shooting in the fall and things like that than I would work.

NM: Mr. Poyen, you are a golf champion, how did you get interested in playing golf?

JP: I guess to go back to the very beginning I had been somewhat of an athlete in university but not in golf. When that career was over with I knew I had to do something to keep active and golf seemed to be a venture that I could hopefully become proficient in and so I started playing golf off and on while I was in law school. It just went from there. I just got a little bit better and a little bit better. I had one very outstanding situation in my career. During the war I had a month's leave in Scotland and I stayed at St. Andrew's for a month and I had as a caddy, an ex-pro, an old man with a little wire-haired fox terrier as his pet that went with us golfing. And for a full month I played golf and he taught me how to play golf and I went from about a 20 handicapper down to about an 8 handicapper in that one month's time

NM: He was a fantastic teacher.

JP: So he was. And very patient. But anyway, after that, I think the golf bug really hit me when I found that I could play reasonable golf. And when I go through all this, don't for a minute think that I ever was a good enough golfer to be a pro or anything and that never even went through my mind. But I did become a good amateur golfer.

NM: And you won some competitions too.

JP: Yes, I won some competitions. I just kept it up as, basically it started out as a relaxation situation and I had no other ulterior motives about it. But as the years went on and as I got older and got involved in the oil industry I found golfing to be, not only a great relaxing thing but also it was a very important way to get out with my associated in the industry and talk to them on an informal basis about the industry, about the possibility of joint ventures, things like this. Very informally. I don't think you ever make a deal on the golf course and shake hands and say okay, that's a big deal that we've made. But you at least get to know the qualifications and the quality of the individual that you're meeting or playing golf with and I think golf is a test of character. I think you get a good line on what the person's all about by playing golf with him. So that when you then go to his office or he comes to your office and you start talking about a deal of some kind or another, you know a lot about him and he knows a lot about you. It probably makes things at least, more relaxing in business discussion.

#201 NM: That's why I wanted to ask you, many oil men play golf together. Was it a reason to get to know each other or was it just to relax?

JP: Well, it's a relaxing thing.

NM: So then you get to know each other on a social basis.

JP: On a social basis, yes.

NM: So then it's easier to do deals.

JP: And if it so happens that the person with whom you want to discuss a business proposition is also a golfer, it's almost an extension to say, well, let's have a game of golf next Saturday.

NM: So you can talk about it.

JP: And we talk about it in a very general way. I suppose it's happened in some people's career that they say, okay, like on the 16th hole while they're waiting for the people to hit off on the 17th, you say, well is that a deal and you shake hands. I've never seen that but you get much closer to the other person from a personal point of view to the point where you. . .

NM: So then it is more informal when you talk to each other. . .

JP: Right, you're more comfortable with the other person then and you can be more informal. So it's an extension of business to a point, if properly used. I don't like to, and I've seen it happen, where golf can be over rated or overused as far as trying to make a business arrangement of some kind.

NM: You cannot spend your life on the golf course.

JP: Oh no, and you should not try to hustle anybody on the golf course.

NM: Can you compare the training of oil people in your time to what it is nowadays, what do you think?

JP: That's a tough one because I really . . . I think fundamentally the basic integrity of the people in both my generation and this generation are the same. I have a very high regard for the basic integrity of the people in the oil industry. From that point of view, there isn't much difference. Back in my early years, I'm pretty old you know, but back in my early years, there were some pretty rough individuals. They weren't the smoothest people in the world. Maybe they didn't have an education that smoothed them out a little bit or polished them a little, I don't know. But there were some tough people. I don't think they're quite that way today, I think the ability to have gotten an education and all that has possibly smoothed out some of the people in the modern day, from back in my early days anyway. But fundamentally the integrity is still there, it was there then, even with the old rough, tough hard nosed guy to the present day smoothie with the MBA. They're still basically very honourable people, all of them. I guess back in the old days, more deals were made on the shake of a hand than they are today because today I feel, and I'm not qualified to say, but I feel that things are more formalized than they were back in those days. Sometimes it was a pretty hurry up action. If we wanted to do something and if we wanted to do it with another company, maybe there was only a 24 hour or a 48 hour period in which we could agree that we would do it together. And we would do it over the phone or just by having a meeting and saying, okay, we agree, let's get on with it and we'll let the lawyers catch up with us later on with a formalized agreement. That was a great way of doing business and some people, some of us older ones reminisce over having been able to have made some major deals over the shake of a hand. I'm sure the younger ones do it today too but I think there are more checks and balances and more formalization of situations than there were in the old days. But both of them are good, because as I say, basic integrity is the important thing.

#264 NM: You have seen the ups and down of the oil patch here in Calgary, what do you think about it?

JP: About it today or. . .?

NM: The ups and downs.

JP: I'm not sure that the oil industry suffers as much through a depression. I don't think the oil industry suffers as much of the swings of prosperity and depression as maybe some other industries do, but it does suffer. But it plugs along pretty well. It's because its product, which is oil or gas, are both of them, so fundamental to our economy and to our way of life and to our standard of living and people have to go on doing all those other things. They still have to heat their homes, they still have to drive their cars, they still have to go by train or by airplane somewhere. So they've got to have oil and gas. They may do without a pair of pants for an extra year or without a new pair of shoes or something or cut back on their groceries but they can't cut back on some of those other things. So the real peaks and bottoms of a depression or an inflated time, a high roll time, don't affect the oil industry as much as it does the regular economy. We complain, the oil industry always complains during a depression but basically the complaint of the oil industry is government intervention and government controls.

NM: Mr. Poyen, what do you think of the National Energy Program?

JP: I guess I could be very trite and repeat what most oil people say, it's a national disaster. I frankly lose sight of what the goal of the National Energy Policy was supposed to be. I am assuming that the politicians thought it would be to approach and maybe attain, self-sufficiency for Canada in the oil and gas industry, as far as producing as much as we consumed. But government takeover and government control of the industry has really, in effect, done just the opposite to what the National Energy Policy was supposed to provide, if that was the goal. I'm not sure it was. But the government gives lip service to the fact that the basic goal was self-sufficiency. It hasn't done it and it won't do it and unfortunately it's a national disaster but I guess I have to say that the National Energy Policy was a form of socialism. I honestly don't believe socialism is for a country like Canada. And that's our basic problem. Now I'll say it another way too, the National Energy Policy is a federal government policy. We are a country in which we have 10 provinces, each of which has its own government. So when you impose 2 governments on to an industry such as ours, it just becomes doubly difficult for us to provide a responsible service and a responsible cost service and price service, to the people of the country. The cost of National Energy Policies, the taxation and/or royalties imposed by provincial governments, between the 2 of them, they have just created 2 problems, 1) for the industry to be economically viable and 2) a commodity, oil and/or gas, which is economically acceptable to the population. You know, the thing that really upsets me is to see at our friendly corner gasoline dealer now, the price of a litre of gasoline, the lowest price is over 40 cents.

NM: This is the end of the tape.

Tape 2 Side 1

JP: We don't really need. . . or the cost of that gallon of gasoline is not 40 cents. Provincial royalties and federal taxation creates the 40 cents. I would suggest that, with a barrel of oil being taxed the way it is and then the price of a litre of gasoline being what it is, that at least 50% of that 40 cents that I quoted, 50 or 60% anyway, is in the form of taxation to governments or in the form of royalty takes. Now admittedly some taxation and some royalty is a very, very important part of government revenues and it should be maintained but not abused by a National Energy Policy or too high a taxation rate by a government at any level.

NM: So how do you foresee the future for the oil patch?

JP: That's very difficult.

NM: Are you an optimist or a pessimist about that?

JP: I'm relatively neutral at this point. I think if we have a change in government we may see some modification of the National Energy Policy and possibly some modification of the federal taxation of our oil and natural gas. Possibly some backing off by the federal government from the controls that they presently exert. If we did have a change in government and the Conservatives came in and if they were to ask me what to do about Petro Canada, which is a thorn in most of industry's side at this point, my judgement tells me that Petro Canada is a company that's here to stay. It is highly recognized and very

popular in some parts of Canada. But there could be some very important changes in the manner in which Petro Canada operates within Canada. It should be there but it should not have special subsidizations, it should not have special influences or special rights which the rest of industry does not have.

NM: Which is a bit difficult because it is a government. . .

JP: It's a government controlled thing but it should be put on the same basis as its competition, which is the rest of the industry in Canada. But fundamentally it is more competitive with the so called majors, of which our federal government has a particular hate on for. They don't like the international majors. But Petro Canada was partly designed to be in competition with those companies because it's an explorer, a producer, a refiner and a marketer, which is just exactly like Gulf, Shell, Imperial Texaco, whatever. But it should be put on the same basic ground rules as its competition. It should not have any particular added incentives or subsidizations or gratuities handed to it by the federal government. It should live within its own budgets, it should have complete, thorough and disciplinary budget controls and live just like its competition, within its own cash generation, within its own ability to borrow money, to spend money and to do it intelligently and to be just like anyone else. But then, if it can survive, all the best. But it certainly should not be entitled to the various subsidizations that the federal government now gives it.

#045 NM: I wanted to ask you, what do you think of nationalized companies, do you think it's a good thing or it's a bad thing?

JP: I think in our modern era that a national company, it may not be a necessity but I think in the mood of a country today, a national oil company gives the major population some feeling of comfort. And possibly it is a good yardstick to measure what the competition is doing, what's the free enterprise side of the business doing. But be that, it should stand on its own feet and do it in straight competition without any sort of gifts or subsidies from the government. But I think that a national company does have its place in our present economy as long as it is a competitive place with the rest of the industry.

NM: Historically speaking, what has been the role of the oil patch of Alberta for the development of the Canadian industry?

JP: I think it has been a very, very important, positive feature in the development of the economy and the business conditions of Canada. I think any country which is blessed with oil or gas reserves and the ability to find them, extract them and utilize them within the economy is a very, very important function of this industry and of the overall economy of the nation. Canada has been really tremendously blessed with the major oil and gas reserves that we've had. There are all kinds of, and I don't think we can go into them here but there are all kinds of spin off industries, companies, services, new companies established as a result of our having had indigenous, proprietary oil and gas within Canada. It's a great blessing for our nation. Without oil and gas reserves and the ability to have found them and then to utilize them, Canada would never have progressed as it has through the latter part of the 20th century.

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

JP: In the very early stages, Fred Manning, who was really my introduction to the oil industry, was very important from a point of view of developing the integrities and the basic philosophies of the oil industry. But really, to put it in perspective 20 years of my career was with Imperial Oil and there were 3 or 4 very important people in Imperial Oil who shaped my career either knowingly or unknowingly. Don Mackenzie, W. D. C. Mackenzie was probably the most important person during my Imperial years. Tip Maroney, with whom I was associated, working with him, sometimes for him and toward the end he was working a bit for me. Dougie Layer as a geologist and typified to me, one of the fine geologists of our company. I guess probably from an outsider point of view, the manner in which Ernest Manning conducted his government relationships with our industry was an important factor to me. Those are ones that come to my mind. Oh, Harry Bass, with whom I worked when I was with Cantex and Harry Bass Production Company, was a man whom I had tremendous regard for and listened to very intently when he told me, how do you conduct yourself within the oil industry. So I suppose among all the people, those gentlemen. Another one with whom I was associated and was a very, very solid citizen and I had a tremendous regard for and we got along very well, was Walter Dingle. Another one within the Imperial organization that I had a tremendous regard for was a man named Jack Harvie. He's recently retired from Imperial but he went to Toronto years ago but he was an outstanding person that I had a tremendous amount of feeling for.

#099 NM: What do you consider your achievements?

JP: I guess I can't point to any one particular thing that was an achievement of mine. I guess my achievements were one of trying to do the job that I was responsible for doing in the best way possible. And I think I achieved success in always being completely honest in everything I did. That was my greatest achievement. And the honesty went, not only within the business opportunities or the business dealings that I was associated with within the industry but the honesty that I tried to maintain with the people that I either worked for or who worked for me. Complete honesty all the way through. I don't really believe I did an outstanding job of putting a company together or anything like that. Certainly I can't say that I discovered an oil field because in our system in Imperial Oil or whatever, there was no such thing as one person doing something. But the participation and making the right decisions, having been told what the right decisions probably were by my staff, was an achievement to me. And I guess when I try to flatter myself in what did I achieve, I was always able to sit back and listen to the recommendations and thoughts of the other person and to analyze them and take advantage of their intelligence in making a proper decision.

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

JP: Well, within my career, I can now, hindsight is a great thing to look back and say, gee, I should have bought that quarter section of land somewhere on my own and I'd have been a rich man or something like that. But looking back, really I sometimes wonder whether I personally did the right thing by retiring early from Imperial Oil. I was very happy with Imperial Oil. Maybe I overreacted to the corporate policy of having to live in Toronto. Because I like Toronto very much as a person and maybe I didn't do it properly. Maybe I

should have stayed for another 5 or 7 years with Imperial. Maybe that's one thing I did do wrong, I don't know. I had a very, very enjoyable career in the oil industry. I honestly can't think of too many minuses in my career that I can really recall. When I left Imperial I might have been a little hasty in going with Total because I don't have a great deal of empathy towards the French business mind and I should have been aware of that problem. Maybe it was too quick a decision in the emotional stage that I was in, having just said good bye to Imperial. But it's been the most rewarding career I could have possibly had. I can't think of a finer career than having been in the oil industry for my career.

#143 NM: On the whole, what do you think of the oil patch?

JP: Well, as I said a moment ago, it's been the greatest experience in my judgement, that a man could have. The type of people, the quality of people, the challenges, some of them a little too hard to handle in the recent years, with the NEP and with OPEC and things like that, some of our government problems. But as a career it's been just completely outstanding. It's the kind of a career, any person who wants to be challenged and the challenge is always there, you can fly just about as high as God gives you wings to fly. So it's just been a great career. I can't think of a career that I could have been involved in anywhere that was as rewarding and as self satisfying and as challenging as the oil industry.

NM: Thank you Mr. Poyen, I have really enjoyed interviewing you.

JP: It's been my pleasure.