

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Bruce Watson

INTERVIEWER: Nadine Mackenzie

DATE: January 1985

NM: This is Nadine Mackenzie speaking. I am interviewing Mr. Bruce Watson in his office. Mr. Watson, thank you for having accepted to participate in our project. Can you tell me, when and where were you born?

BW: I was born in Edmonton, Alberta, in 1926.

NM: What did your parents do?

BW: My father was an immigrant from Scotland in 1910 and was employed by the Hudson Bay retail store in Edmonton.

NM: Was your mother also Scottish?

BW: She was of Scottish descent also, yes.

NM: Did they meet in Scotland or in . . . ?

BW: No, they met in Canada.

NM: And so you went to school in Edmonton?

BW: In Edmonton. And in Ontario for a brief period of time and at the University of British Columbia in Vancouver.

NM: What did you study at the University of British Columbia?

BW: Business Administration.

NM: Why did you choose business administration.

BW: Well, I had taken a number of years of engineering and decided it wasn't for me and I was probably better suited to the business end of it.

NM: How many years did you spend?

BW: I spent 4 years at the University of British Columbia.

NM: Did you have any summer jobs?

BW: Most of my summer jobs were in some phase of the engineering, in the woods or in the frontier areas working as surveyors and that sort of thing.

NM: And after university, what did you do, after you had graduated?

BW: I worked for a very brief period of time with the province of British Columbia as an auditor and I went from there to Canadian Superior Oils in Edmonton in 1949 and I was with Canadian Superior for approximately a year and then I joined a very young company in Calgary called Western Homestead Oils Ltd.

NM: Who was in charge of this company at the time?

BW: At the time I joined Mr. Basil O. Jones was president and Mr. Eddie Laborde was general manager.

NM: So who hired you, was it Mr. Jones?

BW: No, I was hired actually by the secretary-treasurer of the company, a man called Percy Powers.

#026 NM: And what was your job there?

BW: I was jack of all trades, I was a landman and a junior accounting person.

NM: How old were you?

BW: I was 24, 25.

NM: And then what happened, you started that and. . .?

BW: And I stayed with that company through numerous changes. The company eventually, through a refinancing, became Canadian Homestead Oils Ltd. When I was 36 yrs. old I became president and a number of years later, a group of my friends and I bought control of Canadian Homestead Oils, which at that time was controlled by an American company in Tulsa, Oklahoma.

NM: Can you tell me the story of Canadian Homestead Oil Ltd.?

BW: Canadian Homestead was a very typical Canadian exploration firm in the early days of the oil business. It was financed originally on Bay Street. Typically in those days there was an underwriting of 25 cents a share and the money was raised, it was sent to Calgary and it was spent exploring for oil. 99 times out of 100 nothing came of it and the company was refinanced and raised money again and went through the process a second or third time. In the case of Canadian Homestead, to my knowledge, Mr. Jones was involved with it just about from the start. The first records I have of it here it was called Consolidated Homestead so there was obviously a predecessor company.

NM: And then Mr. Jones bought it?

BW: No, Mr. Jones, through one of these financings, acquired control. I don't believe he ever lived in Calgary, although he spent a great deal of time in Calgary in the early days. And the early days I mean, '47, '48, '49, in that period. Mr. Jones son-in-law, Eddie Laborde, in about 1950 I believe, or '49, moved to Calgary and ran the company in Calgary for Mr. Jones. Then about 1965 Mr. Laborde retired from the company and I became president. When I became president, shortly after that, there was concern about the American control of the company so a group of 2, or 3 groups bought control. The groups consisted of, Bow Valley Industries, represented by Doc and B.J. Seaman and Castle Oil and Gas, represented by another very good friend of mine, Philip D. Graham in Vancouver and myself. The three of us bought the control block of stock of Canadian Homestead Oils. We held the control in a company called Castle Oil and Gas. Castle, the voting control of Castle was in the hands of this 3 way group, and we had a voting trust so that none of us would go our own way. About 4 or 5 years after we bought control it was decided that the company, to be more effective, required a significant infusion of cash so we sold the control position along with a flow through share arrangement, to a company called Canadian Hydrocarbons, who needed an exploration arm and also had free capital or cash available for exploration. That would be about 1972 or 3, so at that point Canadian Homestead was effectively controlled by Canadian Hydrocarbons. Through that period, with the infusion of cash, the company was very successful. But with the attitude of our federal government in those days, about 6 or 7 years after we had sold control, the principals of Canadian Hydrocarbon, which were principally Americans and Europeans, decided that Canada wasn't the place for them to be operating. So they looked to sell their entire operations in Canada, Canadian Hydrocarbons. Which they did and the purchaser

was a company called Intercity Gas in Winnipeg. That purchase would have been made about 1976 or 7 I think. We continued to operate Homestead but at this point our parent was no longer Canadian Hydrocarbons but Intercity Gas. In 1980 Intercity wanted to take it over 100% so the entire staff of Canadian Homestead, including myself, resigned and the company disappeared by being merged into Intercity Gas. So the existence of Canadian Homestead was from about 1947 to 1980. And it disappeared in 1980. That's it in a nutshell.

#091 NM: When you came to Calgary, how was it?

BW: In 1950 I think the population was about 125 or 30 thousand people. The year I arrived they took an oat crop off the field that the Chinook Shopping Centre is in.

NM: So things have changed.

BW: Very much so.

NM: And the oil industry was booming at the time.

BW: It was booming but in such a low key way that it was barely noticeable. The only real major building that was principally the oil business was probably the Petroleum Building in which Pacific Petroleum had their offices. Our office was on the ground floor. And the Baron Building and the Lancaster Building were the only, as I recall, the only major office buildings.

NM: Do you remember people that you met when you arrived?

BW: Well, give me some clues to refresh my memory. During the 50's some of the close friends of our company and mine personally were people like Doc and B.J. Seaman of Bow Valley Industries. One particular friend was Norm Gustafson who had a gold mining company in Alaska, and he moved to Calgary in 1949 and founded Gustafson Drilling, which became one of the prominent drilling contractors in Alberta. He died in 1969 or he was drowned in the Virgin Islands. His wife and family still live in the area. Another person that was a particular friend of ours in those days was a lawyer called Percy Sandford, of the firm Sandford and Dickie. At one time he'd been a partner of R. B. Bennett's. He was our corporate lawyer in those days and a very interesting gentleman. And of course, remember the oil industry in western Canada from the 20's. Let me think of some other names.

NM: You were involved with the Oilman's Golf Tournament were you not?

BW: Yes, but not at the very beginning. It was started principally by Orville Miner. The first year I attended the Oilman's was 1954 which was the 4th Oilman's. I went for a couple of years and then I guess the pressures of business at the time, I didn't go for a number of years. And I've been probably attending it without having missed one since about 1965 I guess was when I started back again. I've been a governor of it, was a governor for 4 or 5 years. I'm currently not a governor but I did play last year.

NM: Can we go back to Canadian Homestead Oil and talk about oil discoveries?

BW: The first major discovery by Canadian Homestead was made really, jointly with a company called North Canadian Oils Ltd. The principal of North Canadian Oils Ltd. was a man called Frank Reuben, and Mr. Reuben and Mr. Jones were, in many respects, similar. They raised their exploration monies in the east and then explored out here in

Alberta. They were good friends, both Mr. Jones and Mr. Reuben and they had a block of acreage that was in township 48, range 21, west of the 4th meridian. Apparently Homestead and Mr. Reuben, this would have gone on in 1949, had adjoining quarter sections of land. There's a lot of people claim credit for the discovery that was eventually made on this jointly held land.

#146 NM: It seems to be happening all the time.

BW: That's right. But in any case, in this particular case there were people claim credit for the discovery and of course, I don't know who was really responsible but the story that I think, that I have heard over the years that might have a lot of truth, the location was picked because it fitted in the centre of the block of acreage that was controlled by Mr. Jones and Mr. Reuben. They picked it in the centre so they'd both benefit an equal amount from a discovery. So there really wasn't a lot of geological thought went into where it was drilled. The well turned out to be the discovery of the Armena oil field, which was a Viking trend and it extended a long ways northwest, southeast. As discoveries were drilled along this trend it eventually became the Joachim oilfield, which is still a very significant oilfield. That was the first discovery of any substance by Canadian Homestead and of course, at the time, the few people that were involved in the company felt that we were another Imperial Oil. The next major discovery was probably at Hamilton Lake and that was in township 35, range 9, west of 4. There was a lot of activity, a lot of drilling and it kept us busy for quite a few years but really was not, in dollars and cents terms, a significant discovery. From there the company frequently participated in small, but fairly major discoveries. To the point where Kabob. . . the last major participation by the company was the discovery of an extension at Rosevere, which was up near Edson. That really was probably, over all the years, the most significant find we made. It tripled overnight the company's revenues. It was shortly after that the company was merged into Intercity Gas. The company was always underfinanced in the early days so our only way of participating in exploration was not through drilling, it was through buying land and filing on land ahead of the bulk of the industry. We were at one time, a major landowner in the Beaufort Sea area, major land holder in the Arctic Islands and all through the southern territories, northern B.C. We'd hold the land for awhile and attempt to farm it out and keep a small participation. Which was of course, the inexpensive way of participating. We had a number of partners who came with us, who helped underwrite and finance our share of these land acquisitions. There were 2 people principally, there was one called Mr. W. T. Moran, of Houston, Texas, who was a very well known oilman in Texas. He participated with us in just about all of our large land acquisitions. His estate is still a beneficiary of these interests. Another man was Mr. Maurice Misal from Tulsa, Oklahoma, a well known oilman. Their participation in Canada was by way of joining Homestead in these acquisitions. Within these books you'll find the whole story.

#201 NM: Can I ask you, how did you go about raising money, was it difficult?

BW: In that era it was extremely difficult. In the 50's a lot of the financing of the western oils

were done by the route as I mentioned, selling stock in small companies, through the auspices of the Toronto Stock Exchange. A few years later that became almost impossible and our funds were raised then, through joint venture and limited partnerships where we brought in high income U.S. investors. They were not sophisticated investors and. . .

NM: Why did you have to find U.S. investors, you could not find Canadian investors?

BW: The Canadian investor did not have the same tax benefits that an American investor would. As an individual in those days, the Canadian could not write off his oil and gas expenditures against other income. But the American could. At one stage, you may not recall the television program, the \$64,000 Question.

NM: Eddie Laborde told me about that.

BW: Did he? Well, we raised a lot of our money through a man in New York. He had a number of participants and winners of the \$64,000 Question. The problem with that type of raising money, the company on the ground had to participate, had to have justification, so we took a piece of the property. The promoter or the money raiser in New York took a portion of the interest, with the result that the participant, the man who was putting up the money, quite often there wasn't enough left for him to really justify his investments. The deal we made with the promoter in New York was a good deal but he in turn had to take a piece of it so it was not a satisfactory way of financing in the oil business. We in Canadian Homestead subsequently bought out all of those limited partners. So that there was none, all those scattered interests became part of Canadian Homestead. Incidentally, one of our biggest purchases in Homestead was a company called Swain Oils. We bought that company from a man who's extremely well known in the oil business, Art Nauss. Dr. Nauss just recently died but we bought the company, it was strictly Pembina production and it turned out to be a very fortuitous buy for Canadian Homestead and contributed a great deal to the ultimate success of the company.

#250 NM: Was it easy to borrow money from the bank at the time?

BW: In the 50's it was probably, most people would say it was very difficult. My experience was that we were able to borrow money within the limits of our security and even beyond our security, quite frequently. The Royal Bank was our banker and they were in those days, I'm sure, the leading Canadian oil and gas resource bank. We, in the purchasing of the control of Canadian Homestead, dealt with Mr. Norman Stewart of the Royal Bank. I would think to a large degree the ultimate survival of Homestead as a viable operating company, was to a large part due to his facilitating our money requirements in those days. So I am still, and always have been, a great supporter of the Royal Bank. They came through when the going was tough. Mind you I think they probably were fully protected in their loans, without question, but they were very helpful.

NM: What about their rates?

BW: In those days I think the rate was 6% we were borrowing money at.

NM: That's quite good. Where were the offices of Canadian Homestead in Calgary?

BW: Our first office was on 8th Ave. on the 2nd floor of the Ingram Shoe Store. About 1951 we moved to the ground floor of the Petroleum Building, which was on 9th Ave., a new building, the principal tenant was Pacific Petroleums Ltd. We shared offices on the

ground floor with Mr. Wilder Ripley, who was a very active Calgary oilman. From there we moved to 9th Ave. & 5th St. on the 2nd floor of a converted warehouse, which was owned by a man called Austin Ford, who was active in the real estate business and subsequently built the Alpine Building, which is now quite a prominent Calgary office building. From that office we moved to the 2nd floor of the building directly across the street from the Palliser Hotel, in the location where the Pan Canadian building now stands. We rented that space from Harry Cohen, who's a well known Calgarian.

#304 NM: Husband of Martha Cohen?

BW: That's correct, yes. We were there in that space for probably 8 or 10 years and then, along with a number of other companies, we participated in a joint venture to build a building. The participating companies and their principals were Charles Lee and Al Ross of Western Decalta, Russ Tertel of Fargo, Doc Seaman of Bow Valley and myself of Canadian Homestead and who else, there were a number of other participants. Each of us bought one floor, or a number of floors, in our case it was just one floor of this building. It was called the Brady Building at 630 - 6th Ave. We were there until the company was taken over by the new group.

NM: What about the staff, it must have been expanding all those years?

BW: Yes, Canadian Homestead had. . .

NM: I'm sorry, this is the end of the tape.

Tape 1 Side 2

BW: Canadian Homestead had a wholly owned subsidiary called PEPCAL Company Ltd. and because we did so much operating for other companies, we had a larger staff than we could justify with just our own operation. We operated for a lot of American clients and we participated in a great many joint ventures where we were the operator and therefore had a larger staff than the company would apparently justify. Up until about I guess 10 years, till the end of the company, when we gave up the company, PEPCAL, the wholly owned sub, probably operated the Parent, Canadian Homestead for just a very, very few dollars, because it was completely financed or operated from the outside operations. As a consequence of this larger operating group we had some very, very outstanding individuals working within the company. A number of names that come to mind are Gordon Savage who was with the company for about 25 years. Gord was our vice-president of operations, a very senior individual in the oil business and just did a remarkable job for the company over the years. In the engineering group, there was another man, Bill Smart, who was with the company for probably 20 years. He was also a very outstanding operator. Our exploration group, over the years we had Bob Elliot, also a very senior man, Vern Strance, Ken Wallis. As I say, because of the size of the operation we always had a very, what I thought were top quality employees. Dwayne Wycant was our vice-president and chief financial officer for 20 years. He's very well known in the oil business. Chris Snethin was a reservoir engineer with the company and all these people contributed of course, to the success of Homestead. Over the years the company also at

times, had a very, very strong Board of Directors. There was people like Ross Bolton who was on the Board for about 25 years. He was a well regarded production man from Texas. We had of course, through practically the entire history of the company, Mr. Jack Robertson of the firm Fennerty, McGillvary, Robertson was on our Board of Directors and of course, provided the company with extremely wise counsel. At one time Mr. Grant Spratt, who was I guess, dates back to the early Turner Valley days and was one of the highly regarded geologists in Alberta, he was on our Board. And David Williams of Williams Brothers from Tulsa was also on the Board at one time and assisted the company in many ways. Of the people currently active in Alberta, we have fellows like Paul Marshall who was president of Westmin and he was on our board for a period of time representing the interests of Canadian Hydrocarbons, a company of which he was president. So the Board of Homestead over the years, obviously made considerable contribution to the success of the company.

NM: This is the end of the first interview with Bruce Watson.

Tape 2 Side 1

NM: This is Nadine Mackenzie speaking. This is the second interview with Bruce Watson. Mr. Watson, in 1980 Canadian Homestead Oils Ltd. disappeared. What happened?

BW: The control of Canadian Homestead was sold to, as I mentioned earlier, to Canadian Hydrocarbons 6 or 7 years earlier. At that time the purchaser was controlled by a group of foreign companies and they needed an exploration wing and Canadian Homestead continued to operate as an independent but with a lot of the exploration funds supplied by the new parent. In 1978, with the change of the political situation in Canada, the foreigners group controlling Canadian Hydrocarbons, which in turn controlled Canadian Homestead, elected to sell all of their assets in Canada. It turned out the purchaser of the company which controlled Canadian Homestead was Intercity Gas. In early 1980 Intercity Gas, to further their corporate plans, insisted on a merger of the public Canadian Homestead company into the public Intercity Gas. As a result of that merger the exploration wing of the combined company continued would be changed from an independent operating company to a wholly owned department or operating subsidiary of Intercity Gas. The personnel of Homestead would become employees of what is, in fact, a utility company. For the majority, 95% of the exploration and production staff, this was not a desirable state as they'd operated very independently within Homestead. That also included myself. My role would have gone from president and chief executive officer of a publicly listed company to manager of a department, which was not at all, certainly wasn't acceptable to me and as it turned out, was not acceptable to the majority of the staff. So in February and March of 1980 the majority of the former employees of Homestead all resigned and have subsequently gone on to operate and do their own thing.

NM: So what did you do then?

BW: In a very loose association with 2 of the former employees of Canadian Homestead, Dwayne Wycant, the chief financial officer, and Chris Snethin, we started another company called Wrangler Management. We provided management services for other

companies and in addition, we participated in a small way in the oil and gas business which we are continuing to do today. We are the classic independent today.

#037 NM: And you are the president and director?

BW: Yes.

NM: Can we talk about the contribution of the province of Alberta to the development of the Canadian oil industry. Because you came here in the 50's.

BW: Well, of course, Alberta was not the first province of Canada where oil was discovered but it was the first significant discoveries of oil in Canada were made in Alberta. I guess the early days of the oil industry from 1948 on, in Alberta, the industry was blessed with extremely honourable and competent men in the Alberta government. It was an extremely conservative type of government, business oriented, through the early days of Mr. Manning and the people that Mr. Manning had around him. The ministers of mines and minerals were all very business oriented. Under their direction, or not direction I guess, but certainly under the rules that they created the industry, as history has proven, developed extremely well. We had men like N. E. Tanner, they created a business environment for the oil industry which permitted the fabulous expansions that we saw from 1950 through to the early 70's and possibly, to a lesser degree, since Mr. Lougheed has become premier. There has been somewhat more intervention of government in the business. I don't think we can blame the present government as having instituted these changes of their own will, it was probably forced on them to a large degree because of the adversary relationship that the provinces had with the federal government over these . . . in Trudeau's time. But the result is that today we have a very, very rigidly controlled industry. It's not quite as much fun as it was in the early days but I would guess that today the independents, such as ourselves, have never had an environment much better than it is today to operate in. There's a lot of criticism within the industry about the present controls of the government and their take from production but all in all I think the industry has really been blessed, certainly in the early days and to a slightly lesser extent today, with very sound government administrations.

NM: You have been a witness to the ups and down of the oil industry, can you talk about it?

BW: Well, without recalling specific dates or what caused the ups or the downs, principally downs, in the industry, but in general, the downs in my recollection, have all been caused through government interventions. Those interventions, in all cases that I can think of, have been the result of overreacting to situations. And possibly many of them were outside situations over which the local governments had no control. Principal case, for example would be the rapid rising of oil prices as a result of OPEC. The governments, and the Alberta government was also at fault, overreacted, foreseeing a never ending increasing in the price of crude oil. Now we all know that nothing goes up forever. It certainly has been true in the price of oil. The governments overreacted, felt that the rewards the industry were receiving were in excess of what their contributions were and therefore they, through one way or another, taxed away that, what they considered, unconscionable profits. As it turned out, the first part of that overreaction was the Alberta government raising royalties, and I guess the second reaction was the National Oil Policy

instituted by the federal government, all of which ended up by essentially killing the oil industry for a period of time. The industry is now extricating itself from that overreaction. The governments to some degree are reducing and backing down on their original stance. But there's still a ways to go. So I guess, in looking back, there's probably, about every 5 years we've had a crisis in the oil industry.

#092 NM: So it's cyclic?

BW: Very much so. But those cycles have not been sort of natural phenomena, they've been created by overreaction on the part of governments.

NM: I was going to ask you, what do you think of the National Energy Program?

BW: It goes without saying that it was created by completely ill informed, nationalistic, socialistic people. It has done a terrible disservice to the country. We look around us here in Calgary, we see 25% vacancies in office buildings. That's . . .

NM: Many small companies just disappeared.

BW: Just went under, right. Now mind you, you can't blame the governments for all of that, there was a lot of very poor planning on the part of some of the smaller companies. They incurred too much debt, again, anticipating that the price of oil and gas would continue to rise. Deals were made based on \$50 a barrel of oil. We won't see a \$50 barrel of oil for another, maybe 10 years. You can't blame the governments for what amounted to, almost a collapse of the industry. A lot of it was just bad planning and over optimism.

NM: So how do you foresee the future of the oil industry here in Calgary and then all across Canada?

BW: The exploration part of the industry will be in Alberta and Saskatchewan. So looking at those 2 provinces I would think the turn around has been reached. Until one of these unforeseen overreactions on the part of a government occur again, it will be nothing but upwards. I think the industry is in for a period of 4 or 5 years of extremely good times. Now it's different than it was. We're now a mature industry. Exploration plays are going to be centred around small tracts of land, we have so much more well control now that you don't have the rank wildcats being drilled on a million acres of exploratory land like you used to see. So it's going to be a different type of exploration but the rewards for an independent operator are just about as good today as they've ever been, maybe even better.

NM: What do you think of nationalized oil companies, like Petro Canada for example? Do you think that was necessary?

BW: In the world today I guess we've learned to accept a national oil company, just like we've learned to accept. . .

NM: Several countries already have them.

BW: The only company probably, major oil producer that hasn't got a national oil company is the United States. We accept national airlines and so I accept the presence of a national oil company. I think it went way beyond the bounds of what was necessary or what was acceptable. I think it's worked a real hardship on the industry. I don't think it was necessary for Petro Canada to purchase other oil companies. It was completely wrong in every. . . there is no way you can make a case for a national oil company buying a Pacific

Petroleum or. . .

#135 NM: Petrofina.

BW: Petrofina or Arco. Dollars that were in Canada were actively exploring in Canada and doing a good job in Canada were repatriated to the United States and we ended up with those assets in one entity, which just by the sheer size, let alone be nationally owned or a Crown corporation, were not as effectively utilized as they were as independent companies. It's interesting to note the number of wells that were drilled by those 3 major companies in the periods, say a 12 month period before they were taken over. And then within 12 months after they were taken over, the number of wells that would be drilled on their lands or by those corporate entities had dropped to about 10% of what it was previously. So you sterilize that asset to a large degree, in my judgement. However there are certain areas where Petro Canada could have been a very effective force, I think. In some of the frontier acreage I think they could have made a great contribution. In foreign relations within the oil industry I think they can make a great contribution. But the principle of buying up other assets has been completely wrong in my judgement.

NM: Let us go back to your career now, who were the most influential persons in your career?

BW: I guess the first person that I ran into and if he were alive today, would not remember, I'm quite certain, but when I was making the decision to come to Calgary from Edmonton I had decided that I wanted to be in the oil business and that Edmonton was, in my judgement at the time was not the place to be in the oil business. I decided to move to Calgary and I needed a little nudge to get off centre. I went to see a man who, my only basis of knowing him was that he was a fraternity brother, Mr. Art Euburn. He was at the time, president of Central Del Rio Oils. So I made an appointment with him, came down to Calgary and I needed some . . . what I wanted was him to tell me to get out of a major independent company and get into a small one where I'd get to know the industry. He gave me all that encouragement I needed. He told me I was crazy to stay in as a salaried employee with a major independent, that I should get into a small one and I'd never be in better shape to take a risk than I was at the time. As a consequence of that discussion, or that was certainly a big factor in my making the decision to go to work with the then, Western Homestead Oils Ltd. The other man that I guess was a great deal of assistance to me over the years was an American oil and gas operator, W. T. Moran. Mr. Moran was a very, very successful operator in the United States, principally in Texas. He became a substantial shareholder of Canadian Homestead as a result of frequent visits to Canada. My relationship with him, I'm certain, helped me in advancing within Canadian Homestead. He was of course, respected by the directors and principals of Homestead at the time and they saw that he had sort of let me hang my star to him and as a consequence I think he was a great deal of help in moving ahead in Canadian Homestead. So I guess just those 2 probably are the only ones that come to mind.

#188 NM: What were the most rewarding experiences in your career?

BW: Without being specific, I think any time that we were able to instigate a substantial exploration effort on our land, with the money being spent by somebody else. In other

words we were there first, acquired the land and then able to create an exploration effort by someone else. That type of situation or that situation was most rewarding. Over the years we have had 4 or 5 situations where substantial sums were spent on our land and all of those were very rewarding. And of course, I think back, there were the lands we held in the Beaufort, in the southern Northwest Territories, in the Arctic Islands, and numerous situations within the province of Alberta and Saskatchewan where Homestead benefited by our having had the foresight to acquire land and getting development done by other people around.

NM: What do you consider your achievements?

BW: In a personal sense probably not anything very significant. However I think my presence over the years, recent years certainly in Homestead provided, possibly a stabilizing or the force that kept the company together over maybe a period of 15 years. There was probably 10 men with us at that time, all of whom did particularly well financially. We probably provided employment for 50 or 60 bread winners during that period. We did well by our shareholders during that period. When we originally bought control of Canadian Homestead we paid \$800,000 for a third of the stock. When we were finally taken over in 1980 the market value of the stock was in excess of \$250 million. So that appreciation and value over the period that we were involved, the benefit of that, the vast majority went to our shareholders. And to a lesser degree, to our employees. So that creation of new wealth, I guess you feel some satisfaction with it.

#226 NM: Nothing else.

BW: I think looking back it was the creation of the new wealth and the providing of the good living for all of our employees.

NM: You are president and director of WM Investments Ltd. Land and Cattle. What is it?

BW: That's a private company, owned by my family. It has no oil and gas interests, it's strictly a ranching company with a number of real estate holdings. On the ranch of course, we raise cattle so it's just a private company and very much of a hobby. It's been a lifetime hobby with me, that company.

NM: The Moran Corporation?

BW: The Moran Corporation, of which I'm, that says president, I'm now Chairman of the Board, is owned by the state of the late W. T. Moran, who I mentioned earlier. On his death the executors asked me to run the companies and his various assets for him until we were able to put in place professional managers in Houston. It's a Texas company. We've now, that has now been accomplished, there are professional managers running the company and my position is director and Chairman of the Board.

NM: And there is also Moran Utilities and Canadian Moran?

BW: Yes. Moran Utilities, it falls in the same category as the Moran Corporation, Canadian Moran, Mr. Moran in his years being active in Canada acquired a number of oil and gas assets and I continue to be president of that company and manage the estate's affairs in Canada.

NM: And you're a director of Bow Valley Resource Services.

BW: The principals of Bow Valley Resource Services are old friends of mine and on my

leaving Homestead they asked me to go on the board. . .

NM: The Seaman brothers.

BW: The Seaman brothers. They asked me to go on the board of that company.

NM: And Misal Petrol Resources?

BW: Misal Petrol Resources is an oil and gas company in Denver. It's controlled by the sons of a man, Maurice Misal, who I knew years ago in Canadian Homestead. They asked myself and another man, Calgarian, to go on their board after I left Canadian Homestead.

NM: Vermillion ??? Company in Louisiana?

BW: That's an interesting company. It dates back to the early 20's and my reason for being on the board is that it's controlled by the Moran Corporation so I'm on their board representing a control block of stock.

NM: And Newmac Oil and Gas?

BW: Newmac is a company run by a very old and good friend, W. S. McGregor, in Edmonton.

#275 NM: Oh, Bill McGregor.

BW: Bill McGregor, right. A couple of years ago he asked me to go on his board and it's an extremely interesting board to be on because it's such a well managed company.

NM: So all that must keep you very busy.

BW: It does, yes, which is important.

NM: What are your professional affiliations?

BW: I'm a member of the Independent Petroleum Association, I'm a former member of the Landman's Association. That's about it.

NM: Looking back at your career in the oil patch, what do you think of it?

BW: My first reaction is one of being extremely fortunate. Being in the right place at the right time. Certainly in the 50's and 60's there was no better place for a young man to be than in the oil industry, preferably operating from Calgary. It's been a very, very rewarding business career for me. I'm not thinking in terms of dollars and cents so much as the people that we've been associated with over the years. It's a small business community and it's been very, very satisfying.

NM: So you have no regrets?

BW: No, I don't think so. I have a few regrets business wise, moves that I should have made business wise and didn't make them. But everybody can say that. Overall, it's been a very rewarding business career.

NM: Mr. Watson I have really enjoyed interviewing you, thank you very much.

BW: Thank you Nadine.