

# BILL DICKIE

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  - 2 Date and place of birth (if available): Born Jan. 8, 1925, at Fort Macleod, Alberta.
  - 3 Date and place of interview: Calgary, Ranchmen's Club, Sept. 4, 2012
  - 4 Name of interviewer: Gordon Jaremko
  - 5 Name of videographer:
  - 6 Full names (spelled out) of all others present: N/A
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  - 11 Initials of Interviewer: GJ
  - 12 Last name of subject: DICKIE
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13 GJ: This is Gordon Jaremko interviewing on behalf the Canadian Petroleum History Society Oil  
14 Sands Oral Project. Bill Dickie: who as Calgary lawyer, Calgary City Alderman, elected to the  
15 legislature as a Liberal then changed sides to the Conservatives while Peter Lougheed led them in  
16 opposition. After Dickie changed sides to the Lougheed group, he became the Mines Minister in the  
17 first Conservative Administration in Alberta in 1971 to 1975. We're just going to walk you through  
18 this. I have written down that you were born in Ford Macleod.

19 DICKIE: Right.

20 GJ: Dad was an electrical --

21 DICKIE: -- electrical contractor.

22 GJ: Electrical contractor? Was your family in Alberta for long before that?

23 DICKIE: No.

24 GJ: Where did the family come from?



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25 DICKIE: I'm half Dutch and half Scottish. When I was in the ABM bank, the fellow asked me what  
26 the nationalities of my parents were. I said, "My mother was Dutch and my father's Scotch." And he  
27 said, "That's the best combination for a banker." So, my mother came from Holland, a place called  
28 Oosterhout and my dad came from Glasgow.

29 GJ: So, we are just going to walk through this. How did you get involved with the oil and gas  
30 industry? You were involved with it at a very early stage in your career as a lawyer.

31 DICKIE: That's right. The fellow I articulated with was Percy Sanford, who used to be with the  
32 Bennett Jones firm and then went out on his own. And, the people recognized him as a corporate  
33 lawyer and he dealt with oil and gas. And, one of the unique experiences that I had with him was  
34 that when he, through his health problems, was unable to carry on with listing Canadian Homestead  
35 on the American Stock Exchange. I had to go down and meet with the officials of the American  
36 Stock Exchange. And said, I had to take this file over and I didn't know how to handle it. Because,  
37 nobody that I was aware that did listing of oil companies on the American Stock Exchange without  
38 the assistance of legal counsel in New York. And, of course, the idea was that they wanted to keep  
39 the expenses down so they had hired a Canadian lawyer and hopefully they could minimize the  
40 expense that way. So, that got me introduced to the oil and gas business.

41 Then when I developed that knowledge of getting Canadian Homestead listed, as I mentioned to  
42 you before that the officials of the American Stock Exchange were very, very helpful. They showed  
43 me what they suggested to be done and how to do it and the best way to get it done and everything  
44 like that. So, it was very good and then we could say that Canadian Homestead was the first  
45 Canadian company that had been listed on the American Stock Exchange without the assistance of  
46 legal counsel in New York.

47 GJ: It would have been conventional oil? Drilling?

48 DICKIE: Yeah, conventional oil, yeah.

49 GJ: Had you had any contact or even awareness of the oil sands at that time? Was it on the radar  
50 screen within the business and professional community?

51 DICKIE: No.

52 GJ: That would have been in the early 1950s, would it not?

53 DICKIE: Early 50s, yeah. There were publications of what was happening but nothing that I was  
54 involved in and in any way, shape or form.

55 GJ: But, the oil industry at that time was in a real growth stage, was it not?



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56 DICKIE: It really was. After Leduc and everything, they were small companies and that's what  
57 started it. We had the small companies and the public offerings to get financing going, so it was a  
58 pretty exciting time.

59 GJ: In Calgary here, that's been called the Dynamic Decade, the 1950s.

60 DICKIE: Yeah.

61 GJ: Is that a good word for it?

62 DICKIE: I think it's a super word for it. Eddie Laborde and Basil Jones were the two guys that  
63 epitomized that because they were the ones that really got involved in doing these things in the oil  
64 and gas business.

65 GJ: Could you feel that in Calgary? Did it feel like the city was somehow on the move -- because you  
66 grew up here, you were born in Fort Macleod?

67 DICKIE: There were great opportunities.

68 GJ: Yeah. You could see the people arriving and the traffic increasing.

69 DICKIE: That's what happens, you see. The exodus from Saskatchewan into Alberta too was really  
70 noticeable. Because, even now and even at that time, all the lawyers were graduating and they  
71 couldn't find opportunities in Saskatchewan so they came into Alberta. There are number of judges  
72 and lawyers that were very prominent in Saskatchewan and moved to Alberta and became  
73 prominent here.

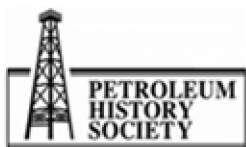
74 GJ: So, nowadays we're getting people coming from the Maritimes. Those days they were coming in  
75 from Saskatchewan?

76 DICKIE: Well, now Alberta is going back into Saskatchewan you know after Brad Wall was the  
77 Premier. So, it's kind of an interesting situation that developed. And as I said before, I attribute it all  
78 to Tommy Douglas because Tommy Douglas used to come in here and make great speeches. And as  
79 I mentioned, I used to go out and listen to them. He was going to take this company over and that  
80 company over as a government and they did, but they all went broke. So, he couldn't successfully  
81 develop things in Saskatchewan whereas in Alberta we developed successful companies like the  
82 Alberta Energy Company and things like that.

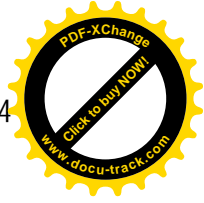
83 GJ: Okay. That's interesting. Of course, Saskatchewan had the long pedigree of CCF-NDP.

84 DICKIE: That's right.

85 GJ: Yeah, okay. So, you went into city politics in 1961?



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86 DICKIE: That would be right, yeah.

87 GJ: What made you go into politics?

88 DICKIE: I was a president of the Booster Club and the Quarter-back Club and was very active in  
89 sports in Calgary. One of the things that we looked at from a sport point of view was that we  
90 needed artificial ice rinks if we were going to develop hockey players here and hockey. We thought it  
91 should be developed. There was a way that we were moving towards getting artificial ice rinks and  
92 so I said, "Well, I'll run for City Council." And, the first day I got in there I put the resolution forth  
93 that we have these artificial ice rinks or a program for an artificial ice rink. And, it was defeated  
94 about 14 to 8 and then they introduced the Ward System. And, Roy Farran from the North Hill was  
95 elected as an alderman. And then he said, "Well, I couldn't vote for you in the first round. But, if  
96 you will support me for a rink in the north, I will support you with a rink in the south." So, instead  
97 of getting one artificial ice rink, we got two artificial ice rinks. That was the start of the Ward System.  
98 To me, it was an eye-opener to see how the Ward System could work because you can get things  
99 done by cooperation.

100 GJ: So, you learned politics at a fairly early age.

101 DICKIE: Because, you learn how to work together.

102 GJ: I think you mentioned also at that time you departed from law and went into a car business?

103 DICKIE: That's right. I went into the car business, yeah.

104 GJ: Now, what did you have in the car business?

105 DICKIE: I had Chinook Chrysler Dealership and those were the tough years for Chrysler compared  
106 with General Motors. And, I knew that because we compared statements with Jack Carter who was  
107 across the street from Chinook Chrysler. So, we subsequently got a GM dealership after I sold the  
108 Chrysler dealership. But, GM was on its way down then so I went through the waves of the  
109 dealerships with General Motors and Chrysler.

110 GJ: Yeah. I think you said that GM was in Airdrie?

111 DICKIE: Airdrie, yeah.

112 GJ: Of course, Airdrie was a whole separate place at that time.

113 DICKIE: Just starting up, yeah.

114 GJ: So, it would have been actually quite a way from...

115 DICKIE: Calgary.



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116 GJ: Yeah, in Calgary.

117 DICKIE: Yeah. It was just starting to explode; Satellite Cities.

118 GJ: Satellite Cities, okay. I think at that time you mentioned that you had also encountered the  
119 McMahan Brothers who were big in the oil business at that time as well, Pacific Petroleum?

120 DICKIE: That's right, yeah.

121 GJ: How did you encounter them?

122 DICKIE: Well, I was on the board of the Football Club. I was in the Quarter-back Club and then  
123 went on the board of directors for the Football Club.

124 GJ: The Stampeders?

125 DICKIE: The Stampeders Football Club. And then, I mentioned the key thing I remember is the key  
126 meeting when they decided to build McMahon Stadium. And, what happened at the meeting is that  
127 they had to have the stadium by July the 1st and this was sometime in January. And, Red Dutton  
128 was on there. And, Red Dutton was well known in the construction business. He'd done a lot of  
129 construction work. He said, "George and Frank McMahon can build this stadium by July the 1st,"  
130 and outlined a plan for doing it. And then, he dealt with the cost of it. And, they were trying to  
131 decide where they were going to get the money to build a stadium. That's when Frank was very quiet  
132 at the meetings, finally spoke up and said, "Well, George we have this property south of Calgary and  
133 we will mortgage that property to put up the money to build McMahon Stadium." So, that's how  
134 McMahon Stadium got built. So, looking back on it, it was a significant move in Calgary and I was  
135 pleased to be on the board at that time when these key decisions were made.

136 GJ: Was that in or about 1964 or 1962?

137 DICKIE: I can't remember now. I'd have to check.

138 GJ: First half of the 60s though?

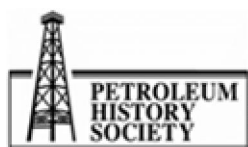
139 DICKIE: Yeah.

140 GJ: Yeah, I'd have to check.

141 DICKIE: I think I'll check with McMahon Stadium, they'll know that.

142 GJ: You were alderman 1961-1964 so it must have been... Seems to me that stadium went up in  
143 about 1962 or 1963. But anyway, there you are going along...

144 DICKIE: ... that's how we get into politics.



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145 GJ: Yeah. The other question I have got to ask you too, this is something I've run into many times,  
146 is there seems to be a connection somehow between business and sports and often politics all  
147 wrapped into one. How does that come together? Does it sort of come naturally to someone who is  
148 in a profession that long? Why such interest in sports?

149 DICKIE: I think lawyers, you will see, will get into community work. And, the community work I  
150 got involved in was the sports end of it. And, that's how it led me into politics is to get some results  
151 for sports is to get into politics to get the things done.

152 GJ: So then, you're on city council for a three year term?

153 DICKIE: Right. It was a one year...

154 GJ: Well, one year, yeah.

155 DICKIE: One year and then they introduced the Ward System and that was from two years. So,  
156 that's how I got the three years.

157 GJ: Okay, to three years. But then, you get elected to the legislature in June of 1963.

158 DICKIE: Yeah.

159 GJ: What made you go take the step into provincial politics as a Liberal?

160 DICKIE: I think the problem was that at that stage, whether you run for Mayor or whether you go  
161 for the province. And, I could see more things to be done. I guess what hit me was when I was in  
162 the City of Calgary, was that we were always looking for more money and it had to come from the  
163 province. So, the province was the key to the future, in my mind, of Alberta. So, that's where the  
164 action was and that's where you should be to deal with the major issues affecting Calgary.

165 GJ: Can you think of what may have been a major issue at that time?

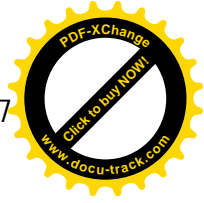
166 DICKIE: I think the major issue was financing. How they were going to finance projects in Calgary.  
167 And, they had to get the support of the Provincial Government. So, those were things that we had  
168 to look at and do. And that time, I also got tied up with the university and they were running, it was  
169 a separate thing. We wanted to support the university to have our own university here. So, we  
170 worked on that too to get the university -- what was it -- we didn't have our own university here, so  
171 I was working with groups in the university to try and get that. And, that was another important  
172 factor. It made me say, "Well, if we want that, we got to be elected to do it that way."

173 GJ: So, there was a real purpose to this politics? It wasn't just to have a job?

174 DICKIE: No, no. The other thing was that I lived on 14A Street and two doors down from me was  
175 the president of the university [at that time, the University of Alberta at Calgary, just a branch of the



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176 U of A in Edmonton]. So, I got very close to him. He and I, we used to talk all the time. And, he's a  
177 great convincer that education was a paramount thing for the future of Alberta. And, to develop  
178 properly we needed our autonomy of the universe to be here in Calgary. So, we can make key  
179 decision and not be dictated to by Alberta. So, that's why I went in and supported autonomy for the  
180 university here. And, to pursue those angles of getting education developed so we could develop.

181 GJ: Yeah, because of course at that time in 1963 had what was known as the normal school, which  
182 was teacher training college. And, you had a little bit of a germ of a university but it was called UAC,  
183 University of Alberta at Calgary.

184 DICKIE: That's right.

185 GJ: I know that because my wife and I were in the very first class, starting in 1966, which called  
186 itself students of the University of Calgary. It stopped being the UAC. So, it succeeded?

187 DICKIE: Yeah. Well, the fellow that was Malcolm Taylor and he was a dynamic guy. He really can  
188 sell people on the need for education and what it would mean to Alberta and Calgary. And so, he  
189 was really frustrated with what he was doing just as a wing of eminence. So we said, "Well, let's do it  
190 here." And, he said, "How to do it? I get blocked all the time." So, I said, "If I ran for the  
191 legislature." That was one of the first things in my plan, autonomy for the university.

192 GJ: That was Malcolm?

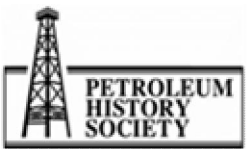
193 DICKIE: Taylor. He was the first -- one of the... Malcolm Taylor, good guy. It's funny when you  
194 move out of your community you meet these people and then they're trying to do things and that's  
195 how you get involved. They want to do things and it always comes back to them. A question of  
196 where the money comes from and they, the Alberta Government had the money, not the city.

197 GJ: According to this biography now, I've got here. Your election victory in 1963 was by a healthy  
198 margin. You were one of four candidates. They call it a surprise victory for Calgary Glenmore. And,  
199 they say the Conservatives ran a star candidate against you who was Ned Corrigan. I even remember  
200 that name. He was the big guy on the radio, CBC.

201 DICKIE: Yeah. Everybody thought he was going to win.

202 GJ: Then, re-elected in 1967 again defeating three other candidates and then at...

203 DICKIE: I think it was pretty unique because I was the only Liberal in Southern Alberta that was  
204 elected. I think they were running three of us and it was in the legislature. So, it was Bill Yurko -- no.  
205 It was a fellow from Jasper. I can't remember his name now. He's passed away. But, he was a Liberal  
206 and so was Mike Maccagno from Lac La Biche. So, there were only three of us. And, I was the only  
207 Liberal from Southern Alberta.



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208 GJ: Then it says, "But you were enticed by Peter Lougheed across the floor and joined the  
209 Conservatives and did so in November of 1969." Is that so?

210 DICKIE: I think you've got to keep that in mind is that when Peter was elected in 1967 then I  
211 worked with them. Because, I had the legislative experience and one of things I guess, I was always  
212 in debates involved in parliament and procedure. And, I became an authority on that. So, I helped  
213 the Conservatives because they came in and none of them had experience. So, we used to talk about  
214 how we should act as opposition. So, I worked with them for a number of years. And at the same  
215 time, I was supporting Mitchell Sharpe for the leadership of the Federal Liberals. And then, when  
216 Trudeau took over we realized -- and when I say "we" Ross Thatcher and I from Saskatchewan both  
217 realized the shift. And, the Liberal Party was very, very left. And, I was still of the view that you keep  
218 getting businessmen in government, you get government out of business.

219 So, that was my philosophy and that was the philosophy I had which was in line with the  
220 Conservative philosophy. So, I'd only worked with Peter and we were working opposition together.  
221 That's when we decided that it would be better in the next election to run as a Conservative, to get  
222 the Conservative majority.

223 GJ: Okay, but there was more to it than that, wasn't there? By way of common ground between  
224 your school of Liberals and the Conservatives as led by Peter Lougheed in the sense that, you have  
225 mentioned that you went into city hall and then you went into the provincial legislature to  
226 accomplish things. And, it struck me that Peter Lougheed was very much like that as well. That it  
227 was much more about getting things done than having some kind of political ideology? Is that a fair  
228 description?

229 DICKIE: I think that is. I think that's right.

230 GJ: He used to go around saying, "Albertans are doers." We do stuff. We don't just talk about stuff.

231 DICKIE: Yeah.

232 GJ: But, from what you're describing it sounds like it was a real common -- yeah.

233 DICKIE: The same, yeah. We were on the same wavelength all the time.

234 GJ: Yeah, okay.

235 DICKIE: And, I had known Peter before that time. So, it wasn't any problem that way. But, I think  
236 the key thing is it was always in the '67 election when Peter was going to run, he was originally going  
237 to run in Calgary Glenmore because they thought that would be the strongest conservative seat. So,  
238 he was going to run against me. That was a real discussion at that time and I think at that time he  
239 then decided that he wouldn't do that and he went Calgary West. But, I think the news reports were  
240 that he was looking at Calgary Glenmore to run in.



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241 GJ: For heaven's sakes.

242 DICKIE: And, of course, as I said at that time when the lone Liberal representing Calgary it looked  
243 like you were running against the leader of an opposition, your chances wouldn't be very good. So, I  
244 never talked to him about it but he subsequently decided not to run.

245 GJ: At that time, 1967 when this is happening, the Conservatives are starting to emerge in  
246 opposition. You are joining the Conservatives. In that period, you did start to see things being  
247 accomplished in the oil sands. Great Canadian Oil Sands got built.

248 DICKIE: We were in opposition at that time.

249 GJ: Yeah. Did you think much about that? Did that strike you as a big deal? How did you perceive  
250 that?

251 DICKIE: In the legislature in those years, Great Canadian Oil Sands was just an oil sands project  
252 that had a public offering and it went its own way. So, the government wasn't involved in that. It's  
253 just they started getting into these financial troubles that we started to get involved in the oil sands.  
254 But, that didn't happen in '67 because GCOS had their own public offering at that stage.

255 GJ: At that time though, in politics did you think or did anyone think that making a start on  
256 developing the oil sands was a really big deal? I mean, was it perceived as the beginning of a  
257 different future for Alberta when you look back? You could turn around and say, "In hindsight it  
258 was." But, at the time did it look that way?

259 DICKIE: No, I wouldn't say that was the exciting factors involved in the Alberta Government at  
260 the time. It was a government that was running it. The government wasn't actively involved in it.

261 GJ: Yeah. I guess the only thing that...

262 DICKIE: You have to keep in mind the price of oil was so low that that's why it wasn't a big item  
263 then.

264 GJ: Seems to me the government really only did one thing, which was to enact a policy allowing the  
265 oil sands plant to have a certain percentage of the market because the plant had to be exempted  
266 from pro-rationing. There was quite a controversy at that time. But, I guess from your point of view,  
267 from a perspective of legislature in government that would've been a pretty technical matter?

268 DICKIE: That would be under Energy Resources Conservation Board, yeah. I can't remember  
269 many discussions in the legislature at that time about the oil sands development other than there was  
270 a public offering and everybody wanted it to be successful. I think the key thing was more of the  
271 Alberta Gas Trunk Line. Because, the Social Credit government started the Alberta Gas Trunk Line  
272 and arranged for the Alberta Gas Trunk to go ahead; they wanted a pipeline system [for natural gas]



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273 within Alberta and that's what they were working on more than the oil sands. So, it was the pipeline  
274 system that the government was more keyed in on.

275 GJ: So, GCOS was out there, you knew the oil sands were there but it was pretty hard to tell in 1967  
276 that this was going to be big?

277 DICKIE: Yeah. Well, really we hadn't visualized it would happen. So, that really changed when we  
278 took over in the government and we got a hold of Syncrude and then the cost of those places kept  
279 escalating all the time.

280 GJ: Yeah. As Mines Minister, one of the things you did was contribute to making sure that Syncrude  
281 went ahead. And, where that all finally came together was at the Winnipeg Meeting in very early  
282 1975. How did that situation develop the way you remember it?

283 DICKIE: It developed that we thought that this was key to getting the oil sands going. And, we had  
284 some reports from the ERCB about the future of oil sands and it all looked good except the  
285 financing of it. So, we realized that that was a key problem and one of the things that happened was  
286 that Peter had said, "Look, we've got to make sure, what is the cost of these plants?" So, we set up a  
287 committee to deal with whether we could make sure that the costs would be realistic before we  
288 started to talk with others, like with the federal government. Because, we had feelers out with the  
289 other provinces that wanted to participate. And, at one time Quebec even mentioned they might  
290 participate because they had an arrangement. There is a good feeling between Alberta and Quebec.  
291 But, we had to make sure we up the cost factor.

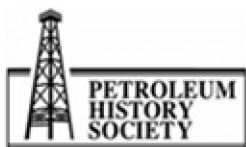
292 So, we had this discussion and the idea of a committee came up and I was the chairman of it, to  
293 make sure we could get an accurate estimate of the costs because that's when Atlantic Richfield [one  
294 of the original partners in the Syncrude ownership consortium, holding a 30-per-cent share in the  
295 project] came along and said, "We can't go along any further. We've got to sell our shares and get  
296 out." And, that's when we really had to say, "We've got to do something about this." And, that's  
297 when we started to move on it and then we started to move with the federal government on it and  
298 talked to Donald Macdonald.

299 GJ: How did that meeting go? Why did you pick Winnipeg and what happened at that meeting?

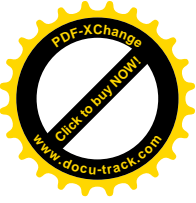
300 DICKIE: Well, we wanted to bring Ontario in and so that was in the idea. It wouldn't be in Alberta,  
301 it wouldn't be in Ottawa or it wouldn't be in Edmonton. We'd pick a mutually acceptable place in  
302 between the two so we could both come together and have the discussion on it.

303 GJ: How did the meeting go?

304 DICKIE: In my view, as I mentioned, it started out at like 9:00 or 10:00 in the morning and by the  
305 time we broke for lunch, we didn't think we could put the deal together. When we came back at  
306 1:30, we had made the deal, put the deal together. We drafted a memorandum, what it was all about,  
307 everybody agreed to it. We took a plane back to Edmonton. The next morning I tabled it the



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308 legislature the program that was outlined. I think we should get a copy of that and I went on the  
309 Internet to see if I could get it and I don't think I can. But, maybe we can phone up to get a copy of  
310 that, because it sets out the whole terms and conditions of the agreement out of the Winnipeg  
311 Meeting.

312 GJ: The basics were that the governments agreed to replace Atlantic Richfield?

313 DICKIE: Right.

314 GJ: That 30%. So, Alberta took 10% it seems to me, the federal government took 15% and Ontario  
315 5%?

316 DICKIE: Yeah, Ontario took 5%. I think that's about right. Yeah, I think that's right. I'm not sure  
317 about the federal government whether it was 15% or 20%, but it's one of those figures.

318 GJ: So, what happened in that short span of time between the start of GCOS and eight years later  
319 you have an agreement where the government is not only encouraging an oil sands project, but is  
320 actively participating in it? What happened to make you take the government into an active role?

321 DICKIE: We were of the view that it was so key to get the oil sands going because that was just  
322 OPEC was starting and we could see the whole future with the oil. All the projections we had were  
323 oil was going to be demand and we could see this was the future for Alberta with the oil sands so we  
324 had to make sure it was going. If Syncrude didn't get going, we thought it would be set-back of at  
325 least ten years.

326 GJ: You must have had a whole graph of new information then about the outlook for Alberta  
327 conventional oil, the outlook for demand for oil in addition to the price; because, GCOS had that  
328 problem of fitting itself just into the production scheme of things?

329 DICKIE: I think that we were at that time involved with a lot of natural gas. So, that triggered that  
330 when you look in the future of natural gas and we looked at where the price of oil was going too. So,  
331 we had to keep the two in mind.

332 GJ: Was there a sense that Alberta conventional discoveries had pretty much been made? By  
333 conventional I mean flowing oil, the Leduc style of oil -- and if you were going to replace that and  
334 expand on it that you had to go into the oil sands?

335 DICKIE: I don't think we necessarily looked at the conventional. I think it was really being handled  
336 by the private sector. But, the private sector couldn't handle the oil sands and we thought that was  
337 essential to get the oil sands going rather than delay it ten years or so. Because, I think our figure was  
338 if we didn't do anything the oil sands would have been put back, development of the oil sands  
339 would have been put back about ten years. So, we had to move on it.

340 GJ: You were getting some pretty good information then?



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341 DICKIE: Oh, that's right.

342 GJ: Where were you...

343 DICKIE: Well, we had really very confident people in the Energy Resources Conservation Board,  
344 Dr. George Govier. And then, Barry Mellon who was with the research council, he was a geologist  
345 and became my Deputy Minister and he had a good background on this. And, we looked at the  
346 future where oil was going and this was when OPEC was starting to expand and you could see  
347 projections from oil where it was coming from. So, it was tied in with really the development of  
348 OPEC that we got the feeling of where oil was going to go and what needed to happen in Alberta.

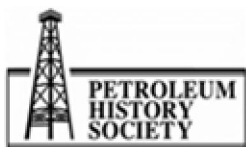
349 GJ: At that time, after the Winnipeg Agreement, I remember this very well because I was in the  
350 legislature press gallery, there was a real knock on the oil sands at that time from the political left,  
351 not so much on environment but on the economic side. It was said, especially on the political left,  
352 that the governments caved in and gave too much to the oil companies. Do you remember that?  
353 How did you feel about that? Did you wonder if you had given them too much?

354 DICKIE: Yeah, I think that always exists that everybody seemed to be concerned that the oil  
355 companies were getting the advantage all the time. We really felt that the government and industry  
356 had to work together. So, it was working together and finding the proper balance that we felt was  
357 important.

358 GJ: Part of that was the royalty arrangement with Syncrude, wasn't it?

359 DICKIE: That's right. One of the problems that we had with GCOS was that the Social Credit  
360 government had to remit part of the royalty back to GCOS to keep GCOS alive. And as I said to  
361 you, we can still remember those headlines: Gives the Oil 100 Billion Dollars, were the headlines in  
362 the paper. Social Credit government giving oil companies 100 Billion Dollars. Well you couldn't do  
363 that. So, we said well the crux of this is how are we going to structure a royalty formula. Because, the  
364 royalty formula for GCOS was the same formula that they used for the conventional oil, 12.5% to  
365 16%. So, we said, "We've got to come up with a different formula." So, I remember asking George  
366 Govier [chairman of the Energy Resources Conservation Board] to give us a number of suggestions.  
367 And, he gave me about 15 suggestions as to how we might work a royalty system on the oil and gas.  
368 And then finally, we sat down with the energy committee [of cabinet] and discussed it. And, I think  
369 at its conclusion, the premier and myself and everybody else said, "I could put the proposition forth  
370 if the industry is going to put the money up for this and they can't afford the royalty until they get  
371 their costs back."

372 So, we said we'll take a minimum royalty and then when they get recovered their costs, then we  
373 share on a 50/50 basis or some basis that would give us the money that we thought the Alberta  
374 Government should have. And that's a very difficult thing to pick. When I talk about 50%, it could  
375 be 45% or it could be 35% but those were all figures we had to negotiate and deal with and what we  
376 thought was reasonable in both industry and government.



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377 GJ: One of the issues was 50% of what, wasn't it? Was it 50% of not gross but 50% of net revenues  
378 after costs?

379 DICKIE: Yes, that's right.

380 GJ: So really, that was the ancestor of the so-called generic royalty regime was it not?

381 DICKIE: That's exactly right, yeah. We were partners. So, you put the money up and you get your  
382 money back. That way it's 50/50. That was kind of the general concept at the start-up. That was a  
383 completely different concept than the existing royalty structure. So, we had to sell that and then we  
384 said that was one of the things we had to sell. And, I think that's where we got into those arguments  
385 that people were saying we were giving too much away. But, they didn't realize that we had the  
386 figures that would see how much the government and private sector had to put up to take the  
387 gamble to get this project going.

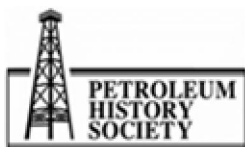
388 CJ: Another big thing that happened while you were Mines Minister is you started the ancestor of  
389 two of the biggest Canadian oil and gas companies, really two of the biggest Canadian companies  
390 now, which is Encana Corporation on the gas side, Cenovus on the oil sands side and those came  
391 out of Alberta Energy Company. That was up and running by the time you dropped out of politics  
392 in 1975?

393 DICKIE: That's right, yeah.

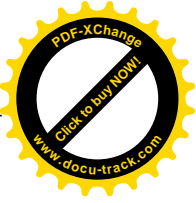
394 CJ: How did Alberta Energy get started?

395 DICKIE: After Peter was elected a fellow by the name of Jim Gray wrote Peter a letter talking about  
396 the gas reserves in the Suffield area. So, Peter had turned the letter over to me and I went and  
397 discussed it with our department and said, "Yeah, there is a lot of gas there. So, we should look and  
398 see how much gas there is so we can properly assess what to do with it." So, our department went  
399 ahead and they drilled in excess of 70 wells or 77 wells or something like that. They drilled 77  
400 successful wells. Then the Alberta Government built these test wells. In the industry they might call  
401 them, exploratory wells and the say, the governments in the business. But, you had to assess what  
402 was there. So, when we got the results back of these successful wells it gave us an evaluation and  
403 then we said, "Well, what are we going to do with this?" So, this started the formation of the energy  
404 company and we said, "What shall we call this company?" And, that's I think I mentioned that Bill  
405 Yurko was the Minister of Environment at the time and he was sitting at the end of the table. He  
406 was on the energy committee. He said we should maybe call it the Alberta Energy Company.

407 So, we put those assets into the Alberta Energy Company along with other assets that we had, like  
408 when we talked about Syncrude, when we had to build pipelines so we could put the pipeline into  
409 some of those assets. And, we wanted to give Albertans a chance to invest in its resources and we  
410 started the Alberta Energy Company and had a public offering to the residents and give a preference  
411 to the people of Alberta exactly like what the Alberta Gas Trunk Line had been so successful. And,  
412 people always talked about how they were pleased with their investment in Alberta Gas Trunk Line.



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413 So, we said as Alberta Government, we'll set this up and give this opportunity to an energy company  
414 and that's how it started.

415 GJ: That was different. At the same time as that, Petro-Canada was being formed but it was formed  
416 as a national oil company owned by the federal government?

417 DICKIE: That's exactly right.

418 GJ: Alberta Energy Company, as I recall might have been on paper very briefly a crown corporation,  
419 but then you had the share sale. And, the Alberta Government restricted itself to owning shares?

420 DICKIE: Right.

421 GJ: It seems to me that it was structured very differently from Petro-Canada? Was that deliberate?  
422 What was in your minds when you set that up?

423 DICKIE: Our feeling was, is that the government shouldn't be involved in the oil and gas business.  
424 So, we wanted to do what we could to assist the companies. The private sector did get it going and  
425 that's why we started the energy company. Whereas, Maurice Strong who was the father of the  
426 Petro-Canada and I met with Maurice a number of times. He felt strongly that federal government  
427 should own it. So, that was a different philosophy and that was the Liberal philosophy of Trudeau,  
428 we should own it. You can see the difference between -- you know they say the Lougheed  
429 Government might be right, but might be swinging left than more conservative, but not like the  
430 Liberals in Ottawa who wanted to set up Petro-Canada. So, I think there was some -- I can't  
431 remember but there was no serious discussion in Alberta that we as a government should develop  
432 Suffield as our own. We thought we should put another company in, let the private sector take it  
433 over.

434 GJ: You put a lot else in AEC besides Suffield, didn't you?

435 DICKIE: Yeah.

436 GJ: You put big pieces of the Syncrude project as a matter of fact?

437 DICKIE: That's right.

438 GJ: Was the thinking there then that oil sands was going to be a sound and long-range investment?

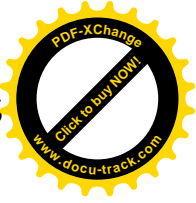
439 DICKIE: I think that's right.

440 GJ: In hindsight, did it work out that way?

441 DICKIE: Yeah.



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442 GJ: When you were putting that Alberta oil company together, were you thinking long? Like, was  
443 the thinking that, "Well, this is going to take a long time, years to mature especially on the oil side?"

444 DICKIE: No, I think that Suffield would give you the natural gas...

445 GJ: Right away.

446 DICKIE: ... it's now giving it. And, that's why making it -- tying it in with the oil sands, it would be a  
447 beautiful offering to go to the public on. And, that's why when we looked at it that would be an  
448 ideal way to make a public offering that you've got long-term and short-term.

449 GJ: Seems to me by then the oil sands had become prominent enough at that time that it would  
450 catch some imagination?

451 DICKIE: That's right. The oil pricing around the world was going up. So, it was the higher the oil  
452 prices went, the more the oil sands became viable, the more it became attractive and everybody  
453 could see they could benefit by it, including the Alberta Government through royalties. So, we could  
454 look and say, "Well, if we can get these plants going, look at the revenue we're going to get by being  
455 in a 50/50 partner in that." When I say, "50/50 by being a partner in that by virtue of the royalty we  
456 get."

457 GJ: Okay. I think you told me that at that Winnipeg Meeting the oil sands or Syncrude, the  
458 participation was a bit of a hard sell with the federal government?

459 DICKIE: That's right. When this meeting adjourned at noon and I thought we wouldn't have a deal.  
460 And then, over the lunch hour everything changed. And, I subsequently heard from other people in  
461 the federal government that Chrétien would work with Macdonald and got Macdonald so that he  
462 could accept what was on the table at the time and put the deal together.

463 GJ: At that time, Donald MacDonald was Energy minister?

464 DICKIE: That's right.

465 GJ: Jean Chrétien would have been Northern Development minister, or was he or Industry?

466 DICKIE: I think it was Industry.

467 GJ: Industry, yeah.

468 DICKIE: I think it was more industry, because he was there at the meeting and part of the group.

469 GJ: So, he was a pretty supportive guy, at that time?

470 DICKIE: He was indeed.



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471 GJ: I wonder why? Did he tell you why?

472 DICKIE: No, but I think -- when I followed his career since that time, I think that's what his whole  
473 attitude was, "Let's get things done." Like, he signed Canada up in Kyoto because he thought at that  
474 time it was going to be helpful to get things moving. And, that's the way his mind worked. So, he  
475 was more getting things done too.

476 GJ: So, you have a bit of common ground with him then?

477 DICKIE: I think we did. I think he was on our side more than Macdonald was. Macdonald was a  
478 tough bargainer and I think would have been prepared to not go along. And, I think Trudeau left it  
479 to Macdonald.

480 GJ: We talked about this too a little bit, but was this involvement in Syncrude and Alberta Energy –  
481 if you look at Alberta long range through the whole history of the province – well within the Alberta  
482 way of doing things? You mentioned Alberta Gas Trunk Line, but there was another one too wasn't  
483 there? In the 1930s, on the financial side, that was probably aimed more at the farmers – the Alberta  
484 Treasury Branches?

485 DICKIE: Oh, that's right. The Social Credit government started that to take and get into the  
486 banking business. And, of course, that's one of the problems the Conservatives face. If you're a  
487 Conservative, you say the government should be in the banking business but it got started by the  
488 Manning Government and William Aberhart was the original, taking over the start of the treasury  
489 branches and putting the treasury branches together and the Social Credit were very successful in  
490 that. And then, the Alberta Government taking over as a Conservative Government, when you talk  
491 to the people in rural Alberta that was a life saver that nobody is going to take away this banking  
492 opportunity for them. So, we are as a government involved in the banking business as  
493 Conservatives, which is normally a Conservative would say, "You can't be."

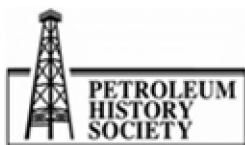
494 GJ: Is this Alberta tradition, in a way, one of supporting large services or large projects that get  
495 whole new sectors going? Like, the treasury branches would have been for the farm communities  
496 especially in the 30s, because Alberta was mostly farms.

497 DICKIE: That's right.

498 GJ: Alberta Gas Trunk Line, that's the entire natural gas side of the industry. And then, you've got  
499 over on the oil side by the time Syncrude comes around, an entirely new outlook on the entire oil  
500 industry.

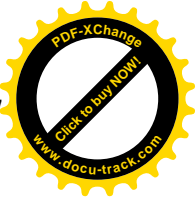
501 DICKIE: I think that's exactly right.

502 GJ: So, it is -- when people compare it to the Railway, it is kind of a similar way of thinking?  
503 Because, you build a railway everybody gets something out of it?



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504 DICKIE: Yeah. It benefits everybody down the line. And, that's where you trace the history,  
505 because the banking in Alberta that was one of the problems and the Depression, nobody could get  
506 any money. So, they had to do that here and create the bank to do that.

507 GJ: Because, there is one other initiative...

508 DICKIE: Because, Social Credit was funny money in it all the time. You know, funny money?

509 GJ: But, the treasury branches was real money?

510 DICKIE: Real money, yeah.

511 GJ: And, it worked?

512 DICKIE: And, it worked. Fortunately, it has been successful and it's making money so there hasn't  
513 been a problem.

514 GJ: Actually, nobody has ever talked about selling it I don't think.

515 DICKIE: No.

516 GJ: I don't think so. People in the business community really like those guys because they pay  
517 attention to smaller companies more than the big financial institutions.

518 DICKIE: It's quite amazing when you get out in rural Alberta, people that are from the treasury  
519 branches, they work for Alberta Energy and they all still had shares in Alberta Gas Trunk Line. So, I  
520 mean rural Alberta invested in these things and benefited by them. So, it's an ideal situation.

521 GJ: Treasury branch...

522 DICKIE: Do you want a cup of coffee or tea?

523 GJ: Oh, no. I'm fine thanks. We're getting pretty close to where we're going to get to now. You had  
524 one other example of that that you were involved in creating and that was Alberta Oil Sands  
525 Technology and Research Authority?

526 DICKIE: Right.

527 GJ: How did that get started? What made you want to do that?

528 DICKIE: Well, when I told you we had this committee set up to deal with the cost of Syncrude. We  
529 wanted to make sure of our costs. So, we realized the technical problems involved in an oil sands  
530 plant. And, we realized that particularly with issues like tailings ponds, there has got to be some  
531 evolution that takes place to deal with all these issues. So, we realized that industry always spends  
532 just so much money. So, we set up this Oil Sands Technology Authority to deal with the research



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533 that was required to keep us moving and keep the oil sands going ahead with the newest technology  
534 that could be devised.

535 GJ: Did the environment play a role?

536 DICKIE: Yes. Bill Yurko, I should have explained before, came in on a byelection. And, he came  
537 out with a strong environmental basis and when he got into the legislature, the premier pulled over  
538 the Minister of Environment and there were great many discussions. And, he was a strong  
539 environmentalist. So, we had critical discussions about oil sands and going ahead, the tailings ponds  
540 and things of that nature to make sure that we had the proper environmental positions in place to go  
541 ahead.

542 GJ: As I remember, one of the really big ones was the reclamation legislation, because Alberta had  
543 really not had that?

544 DICKIE: That's exactly right. We had to make sure we had that. I think Bill Yurko really pushed  
545 these things. When we got back at going through the history of Syncrude it was a great debate. You  
546 had to look after the environment; these tailings ponds, because the tailings ponds were a big issue.

547 GJ: I actually have a paper that was put together. It was a background paper done for the Cabinet. It  
548 sits in the ERCB library. And in there, there's even an estimate of how many legislative buildings the  
549 tailings would fill every single day if you had a million barrels of day of mined oil sands. And, it's  
550 quite a large number of legislative buildings. So, you knew about this at the time?

551 DICKIE: Yeah. And then, we also had the problem with -- some of the reports that we got were on  
552 environment. The NDP and their leader, Grant Notley, relied heavily on those and kept hammering  
553 us with those all the time. So, we were always conscious of the environmental issues around the oil  
554 sands.

555 GJ: There was one other thing I wanted to ask you about. I mean, that was very high-profile days for  
556 energy -- if possible or conceivable, even more than now. And one of the things that happened is  
557 that Sheikh Yamani, the head of Organization of Petroleum Exporting Countries came to Alberta.  
558 Did you meet him?

559 DICKIE: Oh sure, I met him a couple of times.

560 GJ: What did you think of him?

561 DICKIE: One of the things that we discussed with him was we were trying to get natural gas going  
562 and we wanted to create a market for natural gas the way they had created the market for oil. So, we  
563 had good discussions with him on that and how he set up OPEC and how he controlled OPEC and  
564 what they were going to do with OPEC?

565 GJ: He wanted you to join, didn't he?



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566 DICKIE: Well, we looked at trying to say, "Well, we should join because if we've got our oil we  
567 should be part of that." But, the federal government wouldn't -- that was in the federal  
568 government's jurisdiction and the government made sure that we didn't get involved in that.

569 GJ: So, in the end you decided not to try to join?

570 DICKIE: That was off the table.

571 GJ: Okay. Do you wish you would have? Do you wish you could have?

572 DICKIE: I could see some advantages of being involved in a company that sets the price of oil,  
573 yeah.

574 GJ: Because, everybody says, "We're just price takers here."

575 DICKIE: Well, you see, we set up the Alberta Petroleum Commission, that was when Macdonald  
576 was going to put that export tax on and we set up the Alberta Petroleum Commission which was  
577 designed to sell our oil and our price and deal with it. So, we had to get involved in the price of oil.  
578 If you're going to get involved in the price of oil, you should maybe be part of OPEC to make sure  
579 that that decision of where they're going to set the price, you were involved in it.

580 GJ: That was the Alberta Petroleum Marketing Commission, I remember it well. It took legal title to  
581 the royalty share, right?

582 DICKIE: That's right and used that to start setting the price of oil for Alberta. I forget the fellows  
583 name now...

584 GJ: Alberta Petroleum Marketing Commission and it seems to me it was guy named -- that was  
585 Wayne Minion?

586 DICKIE: Wayne Minion. That was the guy's name I couldn't think of, Wayne Minion.

587 GJ: I remember him.

588 DICKIE: Yeah. We did a great job on that and that was a critical time too.

589 GJ: Yeah, that commission and Wayne Minion, they were very high-profile for a long while.

590 DICKIE: Yeah. That was one of the contentions that we had there, whether we have the office in  
591 Calgary or in Edmonton and we put the office in Calgary.

592 GJ: Okay. That's all I needed to ask you about.

593 [END OF RECORDING]



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