

**Remarks By Preston Manning  
Oilsands Banquet  
Fort McMurray Alberta  
November 29, 2017**

## **Introduction**

Thank you first of all to Phillip Enarson and the banquet committee for organizing this event – inviting us to remember the opening of the Great Canadians oilsands plant – the first of its kind in the world – 50 years ago.

I'm a great believer in remembering and honoring significant historical events because if you don't know **where you've been** in the past, its much harder to figure out **where you are** in the present and **where you are headed** in the future. So thank you again for doing this.

I first visited Fort McMurray in 1962 to help spread the news that the government was actually giving the go-ahead to build a 40,000 barrel-a-day oilsands processing plant – and that **this time** – after so many previous proposals, pilot plants, and false starts **it was actually going to happen**.

Not surprisingly, the understandable response of some of the old timers to this news was: "Sonny, we have heard that story ever since Alexander Mackenzie came through here in 1788. We'll believe it when we see it!"

## **J. Howard Pew and Ernest C. Manning**

Now the historical aspect I have been asked to share with you has to do with the relationship between my father, Ernest C. Manning, who was Premier of Alberta at the time, and J. Howard Pew, the scion of the Pew family in Philadelphia, head of Sun Oil and the visionary who believed such a plant could and should be built.

Once construction was underway, my father and J Howard would meet periodically to review progress. Sometimes they'd meet at the Point Cabin at the Jasper Park Lodge which Pew rented in the summer and from which he would fly back and forth to Fort Mc Murray. On a few occasions, as part of my political education, I was privileged to go along to those meetings.

It was at those meetings that I first heard the phrases "North American energy security" and "continental energy security" spoken by J Howard Pew – concepts which didn't even enter the vocabulary of most political people until after the OPEC oil crisis of 1973. He was a visionary with a **strategic view** of the role petroleum resources play in the world – more than 20 years ahead of his time on that subject.

## **The Trust Issue**

But let me back up a moment. Before the permit to build the plant could be issued there was a **trust issue** that had to be resolved between the government and Sun Oil. And, as in so many arrangements between governments and companies, this eventually came down to whether the leader of the government and the head of the company could personally trust each other or not.

In the case of the Alberta government, led by my father, they had to decide whether or not this 80-year-old gentleman and his company could build a commercially viable plant when all previous attempts had failed to get off the ground. At the same time, J Howard Pew and Sun Oil had to decide whether or not these Alberta politicians would actually carve out a market niche for oil produced from the oil sands – a move that would be politically unpopular since at the time Alberta couldn't market all of its conventional production.

So in the end, after all the technical reports, feasibility studies, and financial reviews it came down to this. My father saying to Pew, "I'm prepared to believe that you can build this plant when nobody else has been able to do so thus far". And Pew saying to my father, "And I'm prepared to believe that you will guarantee a portion of the market for the output of this plant without which it cannot be financed." And so they shook on it and the plant was "a go".

### **Theological Aspects**

Now I should also mention – and this may startle and perhaps amuse you – there was also a "theological dimension" to the development of the first oil sands plant.

J Howard Pew was a devout Christian, a Presbyterian, and Presbyterians believe in the doctrine of "predestination" – that nothing happens without God's directive or permissive will. My father was also a devout Christian, but he was a Baptist and Baptists believe in "free will" – that humans have the freedom to make choices that, at least to some extent, determines what happens.

So one day after they had got to know each other a bit, my father posed a theological question to Mr. Pew: "J Howard, if it's "predestined" that you're going to build this plant, why do you need a permit from the government of Alberta?" To which Pew apparently replied, "Well, I also believe it's predestined that you're going to give us that permit, so really, I'm simply talking to you as a courtesy."

### **November 1967**

Like some others here tonight, I personally attended the opening ceremonies for the plant in November 1967 and have four main memories of that day.

First, the number and variety of company airplanes that were parked at the Fort McMurray strip, as oil patch people from all over came to see what this was about.

Second, that huge bucket wheel machine which was to dig up and deposit the oil sands on the conveyer belt going into the plant. In the end it didn't work like it was supposed to, but at the time it was an impressive technological marvel.

Third. I recall that the price of oil that day was less than \$3 a barrel – which had a lot of oil patch people predicting that it would be a long time before GCOS would even begin to recover its cost of capital let alone become profitable.

### **Thinking Strategically About Petroleum Resources**

And finally – from the conversations I had heard between Pew and my father years before – I was reminded again that there was a **strategic reason** for us all being up here that day – **energy security for North America**.

What was it that had brought J Howard Pew to Fort Mac in the first place? If you ask that question of young people or media folk today, the most frequent answer is “to make money”. But that’s nonsense.

At the time, Pew was head of one of the wealthiest families in the United States. And as he was approaching 80 years of age, he had already willed most of his personal fortune to a charitable trust and charitable projects. So why was he here?

As he explained to my father, the Pew family had made much of its early fortune through the Sun shipbuilding company. That company built a large number of the oil tankers which supplied the allied forces in both the first and second world wars. Pew knew all the figures on how many of those tankers had been sunk by enemy submarines and destroyers and had become convinced that the United States – indeed North America – was vulnerable from a security standpoint because of its dependence on off shore oil. And so he had personally resolved to find and develop, not just conventional oil reserves, but **unconventional oil resources**, which was what brought him to Alberta and Fort McMurray.

It took a terrible war to get business men like J Howard Pew, and politicians like my father in Edmonton and C.D. Howe in Ottawa, to **think strategically** about petroleum resources – their role not just in energizing our cars and heating our homes, but in shaping security, trade, and dependency relations between economies and nations.

What might it take to get decision makers in Ottawa and Edmonton to think more strategically today about the role of petroleum in today’s world? Perhaps remembering the **strategic reasoning** behind the construction of that first oilsands plant, will help serve that purpose.