

MMS OFFSHORE GULF OF MEXICO

ORAL HISTORY PROJECT

Interviewee: CLYDE JOHNSTON

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Morgan City, La.

Interviewer: Jamie Christy

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Bio

Clyde Johnston was born in Norplet, Arkansas and his father worked for Texaco for 48 years. The Texas Company transferred Mr. Johnston's father to New Iberia, La. Mr. Johnston grew up in that area and got a degree in business administration from SLI in Lafayette (now ULL). He worked for Bethlehem Supply Company in Morgan City and south Louisiana many years. He began as a clerk for Bethlehem and a field salesman. He later became assistant manager in Leeville, La. and then regional manager. He also worked for Ralow Oil Field Supply. Mr. Johnston retired and then went back to work for Red Adams at Oil and Gas Rentals in Amelia, La.

Side 1

JC: This is Jamie Christy and today is July 24, 2004. I am at the home of Mr. Clyde Johnston at 802 Onstead Street. Mr. Johnston, could you just tell us a little bit about yourself, where you are from?

CJ: O.K., my name is Johnston. I was born in southern Arkansas in a place called Norphlet, Arkansas, near Smackover, near the old Smackover oil field. My dad worked in the oil field from 18 up to 65. He started at 18 in southern Arkansas when the boom. There was an old boom there. We lived there until I was probably about 11 years old. Texaco was The Texas Company then. Now, it is called Texaco. It was Texaco and then it's Chevron Texaco now. But he worked for them for 47 years, 48 years, with Texaco. It was during the war years, but he was about 38 years old and Texaco sold their holdings in southern Arkansas. But he was exempt because of the war and he was working in the oil patch. So, they transferred him and a lot of the guys because they were critical to the war industry and to southern Louisiana. Some of them went to East Texas but he worked down in Louisiana.

We moved to Iberia in 1943. I went to high school there, graduated from high school, went on to SLI which is USL now.

JC: Now it's changed again.

CJ: Now it's changed again. I graduated from there in 1956.

JC: What degree?

CJ: Business administration. I originally went to work for Bethlehem Supply Company which is an oil field supply company here in Morgan City. I got married in 1955 and went to work here in 1956. I worked on up in that organization. Then, I was moved from here into Leeville, Louisiana where we opened some operations there and then from there, into Mississippi, and then I came back to Morgan City. And then, they sent me into Houston for a short spell. I came back to Morgan City. And in my last deal, I was transferred to main office in Tulsa, Oklahoma, which we lived there probably about 9 or 10 years. After that, another company . . . they sold Bethlehem Steel Company, Bethlehem Steel Corporation, sold that supply division to another guy no longer operating as Bethlehem Supply Company. Employees, we all stayed with this new company although, in my case, I had 30 years so I had full retirement from the Bethlehem Steel Corporation. They transferred me back down here where I could live . . . when I came back, I was going to be the regional manager for the whole Gulf

Coast. I could have gone anywhere but I came here because my grandkids are here and I had friends here. I hunted with Abby. So, I decided just to make my office here. Then, later on, I had early retirement there and worked for another company for about seven years and then I retired again.

JC: What was the second company?

CJ: Ralow Services. It was the same type . . . oil field supply company. Ralow Services. After that, I have been retired for 7 years, I think.

JC: So, when you got your first job, how did you hear about the job with Bethlehem?

CJ: Well, through family connections, really. The guy that was just a manager for Bethlehem was a personal friend of the family. So, as soon as I got out of school . . . one day, I just got out of class and was hitchhiking from Lafayette back into New Iberia and he picked me up. Of course, he knew me. We got to talking and I just asked him if I could use him for a reference if I was applying for a job at a particular company. He said, "Well, sure." As soon as I got back he called to offer a job . . . Once I looked at it . . . they did not pay a lot of money in those days but he offered me a job that was paying as much as everybody else was getting paid.

JC: About what year was that?

CJ: That was in 1956. Salaries were under \$400 a month and even . . . I think I was making \$330. That was about what the graduates were getting. Of course, it did not take much to live now either. You have got to damn near take that and divide it by 10 or multiply by 10 from what I have read. So, he offered me a job and I went to work for him. Either or because of the degree, I was making about 25 percent more than the other early entry level guys were making. So, over the years, I just went on up the ladder until finally I ended up . . . Bethlehem Supply had a number of stores around the United States. At my highest point, I was over all the stores in the U.S. It was a lot of fun.

JC: So, when you started out, what was your job title?

CJ: I was a clerk. The first day I walked in there . . . I do not know if you know what a perpetual inventory card system is but in those days, they had a big desk with cards for each item we had in the store that you made entries on, as to what came in, when you received it, sold it, or transferred it to another store, whatever. The bottom line was what you were supposed to have on the shelf. So, they took me in there, put me in that desk and I did not know an L from a T then but I learned

quickly. You take all the sales documents from that day, receiving receipts, records the sales, the transfers, the transfers in, the transfers out from another location. Then, you posted this in there and you add them up, balance which was what you were supposed to have on the shelf. Then, you take those and Then, you would go back to the warehouse and go to each item and make sure it was right. And, of course, you would find a lot of errors and you would have to go back and try to find the error. Tedious job. In those days, you did not work 40-hour weeks. When I started, you worked 6 days a week, 9 hours a day, 54 hours a week. That did not last too long because that was about the time things started changing a little bit for the better. And we finally went to 40 hours. I knew they wanted to get off working on Saturdays. I was against it because by that time, we had nonexempt people and exempt people. Nonexempt were controlled apparently by the Labor Board and all that. The exempt people could work any time. They were on a monthly salary, basically, and they could work as much as required. So, I was in that bracket by then, and I did not want to work on Saturday because that meant I was going to have to do all the work on Saturdays and Sundays because they never shut down, or we, the exempt people in the organization. We were on duty night and day at certain times and we would have to take calls. It was night and day. I worked all night long sometimes. And you would get calls from customers wanting something on the boat for the next morning or whatever.

JC: So, you would get calls from oil field people whenever and you had to fill the order?

JWH: Oh, yes. Whenever they came. Even if you did not have it on the shelf, you had to try to find it, and we might have to call all the way into Houston to find it. One time, we were having to bring stuff in by airplane into Houston. We would hire a little airplane in Patterson, fly it into Houston to pick up something that was small enough for the small airplane, and bring it back to have for the customer the next day. They wanted it so they were paying the cost of the airplane, too.

JC: So, money was not an issue?

CJ: No, it was not then.

When I first came here, as fast as the stuff as hitting the door . . . they had a company here called Magnolia Petroleum which is Mobil Oil and now, it is Exxon Mobil. Magnolia. Just as fast as it hit the door, we were going in the trucks and hauling it over there, and price was not a factor and then there were not what they called MRO contracts or special pricing in it. It was just mispriced. We were making tons of money for the company. Unfortunately, we were not

getting it.

JC: It was not trickling down . . .

CJ: Bethlehem also was a manufacturer of drilling rigs and drilling equipment and we, at that time, it was so lucrative anybody that could make a down payment on it could buy a drilling rig. And I am talking about a little barge type deal that you could . . . if you would make a down payment on it, Bethlehem would finance the rest of it. I am talking about it was a lot of money back then, about \$300,000, \$400,000 rig. There were a lot of guys – doctors. There was a Doc Drilling Company, there was a Blackie Drilling company. They bought NGS from Bethlehem. There was the Old Reagan Tool. What is it now? They said if we are going to bring a steel barge in there with a key weight, they would rig it up and all. We would furnish the pumps, the drilling rigs, the draw works, the whole thing, the derrick. So, we were hustling hauling stuff there, back and forth. And we were just one right after the other when it was booming. And the barges were just one-rig companies. Just about had enough money to put down. It was rented out to the oil companies for a well and they would pay the notes to Bethlehem, just like buying a car. But then, that changed.

I was transferred, about 1-1/2 years. They built a store in Leeville. That is right

out of Grand Isle. They went in there, had a contract to come in, took that marsh. They went in there, filled it up with sand, built it up, built a big store and built two little houses. One of them was a store manager and then I was transferred down there as the assistant manager. My oldest there was just a baby. No air-conditioning. There was no such thing as air-conditioning. You just had a window fan. And the black gnats would come through the screen. But then, they transferred me on down to Houma. I was living down there. We had living quarters in the store. The guy that was going with me, the store manager, we would leave Houma, we would drive down to Leeville and would ride boats and go out to the rigs, visit the customers. You would go out at night as far as you could see, Timbalier Bay which was nothing but oil well rigs. They had some old steam rigs. They had big bars on them. They did not have diesel engines. That's the way they used to drill. They had steam engines. Then, in 1957-58, we had one of the recessions they have in the oil field and they just started bringing those rigs in. They were just coming up there and parking them on the side of the pipe. We had a little store along the Mississippi and that is where they transferred me on up there. When I got up there, they run two guys off and I was just there. It was an interesting time.

I stayed there awhile. Then, they brought me back here and this old manager here wanted him back, a guy named Rupert Taylor. Do you know Mike Taylor or

Keith Taylor?

JC: Sure.

CJ: That was his boss. Rupert. Rupert got killed when we was in a car accident in Texas. So, I stayed here for a while. Then, they took me into Houston. They wanted me to go in there and run the inventory system for this region, this area, and I did that for a little while. Then, I was not too happy with that so they ended up sending me back down here as store manager and I worked there right up until I got to be manager of the stores in the area.

The other parts . . . I can remember, as a kid in Sunneyville, Arkansas, we lived on a lease up there in those old company houses. The company would build the houses and people lived on the leases. They had a central power system. They had a great big power house and from this power house, they had the sucker rod which is a solid rod which has a female end and you would run those things along the ground just like this to a well and they would use the power from that. That rod goes back and forth, because the old pumping wells go up and down. And it was all over that lease cause they were all over the place. Back in those days, they did not worry too much about conservation. The salt water and stuff like that, they would just turn it loose in creeks. You could go there and everything in that

creek area would be dead from the salt water. It was horrible. You could go there today and you would still see scars of it. I am talking about 70 years ago, 65-70 years ago. But most of it has recovered. That stuff leached out. It looks pretty good up there.

JC: It caused erosion from killing the marsh grass?

CJ: It was not marsh up there. That was heavy country pine – pine trees and all. They had creeks that would go down through there and they would let that salt water go in and kill everything around it. You just had big swaths there where the creek ran. In fact, I was looking at some stuff in there the other day, an article I found yesterday that my daddy had when he was in the paper in New Iberia, and he was talking about a crater, maybe one block big. The whole thing would disappear, and that would fill up with water. There were two or three of them that were up there when I was there. I remember those.

Let me tell you about one place where a guy looking at a storage tank went to light a match and that was the end of him. Another guy who worked in that same area was talking about they would build a big pit, maybe one-quarter mile long, and the oil would just float straight in it. They just filled it up with oil and sold it. Two of my mother's brothers also worked for Texaco and all three of them retired

from Texaco. She had another brother who was a rig builder. In the old days, they used to take the . . . first they had the wooden derrick. All the derricks in southern Arkansas when I was a kid were wood. And you had what you called rig builders that would build those things. Later, they went to steel derricks and they still call them rig builders because they had to build them as they went up. They had scaffold boards across, they would start at the base and they would build it. And her middle brother was a rig builder. He was a tough guy. He was all muscle because they were building that iron up high running across the scaffold boards and things like that. And unfortunately, when the scaffold board broke, he was killed. He was about 30 something. He had two children and a wife.

JC: In the early days?

CJ: The early days . . . of course, they still get killed in these helicopters crashes. The oil patch is not a safe place. There is always somebody that is getting killed. It is well paid now . . . well, I guess it was well paid then compared . . .

JC: Did your dad teach you about the oil field?

CJ: Well, I was just raised in it. I mean, it was just all I knew. I did not know about any other jobs. When you grew up, you worked for the oil field, somewhere in

the oil patch. When I was a kid, I used to go somewhere and I would say, 'Daddy, how do they make a living here? I do not see any oil?'

JC: He was with The Texas Company? What was his position?

CJ: He was just a roustabout. He had very little education but he was what you call the head roustabout. He took crews out and did work in the field. One of the things I thought was funny was one day . . . he worked in this field for years and knew the field, and I went out there with him and a friend of mine who was graduating in petroleum engineering. He talked the company into going into this well and reworking it and going down to a certain depth . . . he thought he said, 'Well, we will go get oil from it.' My dad said, 'No, you are going to get salt water.' And sure enough, they got salt water. That is where experience got education. Gene, this guy I am talking about, was a brilliant guy. In fact, later on, he became a lawyer and did both. He quit the oil patch and went on being a lawyer. And did well.

JC: So, do you remember jobs your father did?

CJ: Oh, yes. When I was a kid, he would take me . . . like, on Saturdays, he would take me out to the lease with him. It was on the lake. They had boats and all.

They would go out . . . they would just work the wells over. Do re-piping or whatever needed to be done. And he had his crew to do the work. I would go out there because there were a lot of crabs out there and he would let me fish and crab while they were working on it and I enjoyed that.

JC: Do you remember some of the guys who he worked with? Were they from around there?

CJ: That was years ago. I guess they are all dead now. One of them was an Indian named Persilver. He was an Indian, a Cherokee, from that group. Sometimes, daddy would take me and he would have this guy take me out hunting and stuff. We would go out in the boat. We would go out squirrel hunting or something like that. It was a lot of fun.

JC: Was he a roustabout as well?

CJ: He was a roustabout, yes. The position daddy was in, he could just do what he liked with the crew. They liked it anyway.

JC: Besides this Persilver, were they mostly white men?

CJ: Yes. There were no blacks.

JC: No blacks?

CJ: No blacks in the oil field at all. We finally hired some . . . we hired one guy, a person we hired here, I think. Had to be in the 1970s. I take that back. They had one in the warehouse. But they were not working too much over in the rigs or in the oil field until quite a bit later.

JC: How was that transition when blacks first started coming out and working?

CJ: I did not have a lot of contact with them other than . . . we had, like I said, a few working for us. I guess they had some problems offshore when they had to live together. I remember when I was going to school. I remember one little instance where we had what we called the Boys Club, for the commuter boys. It was a place to lounge around when you were not in class. And one of the guys came in. Some of the boys got a little rowdy with him, got him out of there. Other than that, I did not see a lot of problems with them.

JC: What about women? Did they have any women out there?

CJ: Yes, there were some black girls. Working in the supply division, yes. We even had some women that worked up to store managers in the Leeville store. When I was over the stores, I had two of them. They did a good job.

JC: How many stores did you have when you were over all of them?

CJ: The peak was about 37. All the way from Tower, North Dakota, Colorado, Artesia, New Mexico, West Texas, went as far over as Illinois, Mississippi, Louisiana. And we had some in South Texas. When I was over the stores, that is what I did. I would fly around, go to the biggest town I could rent a car and drive but it was fun.

JC: So, you were overseeing the store operations? Were you still going out to the rigs like you had done in the early 1980s?

CJ: I did call on customers but mostly office type visits. When I was coming up, I went out to the rigs. I started as a clerk and maybe six, eight months later, we had what we called field salesmen – guys who would go out from the store and call on customers, go to the rigs, take the orders, bring them in and if they could, they would haul them back but if it was too much to haul, we would have to send a truck for wherever the dock was. And then, I guess six, eight months after, they

had a guy go on vacation, so they were trying to break me into it and I did that for a while. We had company cars at the time which was a big benefit but the thing was, in those days, cars did not have any options so they did not even have a radio. All they had was a heater. We always were able to manage to get a radio some kind of way. And later on, they started letting us put air-conditioning. But the Bethlehem cars were kind of funny. They were solid black on the bottom and the top was bright yellow and they had Bethlehem written across them. All the stores, supply stores, all had their little color coded cars, you know. You could not hide them! You could not stop at a bar on the way home because you would have stood out like a sore thumb. And that might be why they did that but later, they got away from that. Well, I guess for the time, I had a company car most of my career. Just about all of it. That still is a big advantage. It puts dollars in your pocket. It saves you money.

JC: Do you have some early remembrances of those trips out to the rigs? What were they like?

CJ: Oh, it was just a job then. You would go to the tool pusher on the rig . . .

JC: That is who you would deal with?

CJ: Yes. Basically, if you had a problem, you would stay up trying to solve it, too. Many a night, they would call me with a broken piece of equipment and we would spend the night trying to get a replacement part. But it was not any work. I did not actually work in the oil field. I worked to support the oil field. And if my daddy was still alive, he could tell you some good stories.

One of those deals in that article in there was, it was talking about how you used to haul your equipment. You used mules instead of horses. Some of those wagons had as many as 22 mules. The mules were used because they could handle the mud, and the mud would get really bad better than horses. I do not have those pictures. We have some pictures and I wish I had those to show you. They are there in my mother's stuff in New Iberia. She is still living, the way. She will be 98.

JC: Oh, that is great!

CJ: My dad died in 1978. He has been dead 20+ years.

JC: That was hard work doing what he did.

CJ: They worked in cold weather, played hell with the oil field. I have seen him get

up a million nights and have to go back to the lease out there to make sure everything did not freeze up and he'd be gone half the night. But they treated them all right, I guess. Probably if he had spent that time later on in life, he would have come out better because later in life, later on in your years, the guys that spent that many years with the oil company usually came out with a pretty good sum of money. In his case, it was not that much because they did not pay him very well in those days although his other brother that worked for Texaco, he was a construction foreman. He was overall the construction they did out there. He built board roads, whatever needed to be constructed, he was in charge of that. And he did pretty well. He had one brother who worked for the refinery and he retired from Texaco, too. My daddy was a little bit too early.

JC: The Texas Company then was . . .

CJ: The Texas Company was Texaco later.

JC: It was back when he was working with them.

CJ: They called it The Texas Company.

JC: The smaller company.

CJ: Right.

JC: Without the benefits and insurance?

CJ: Well, they had that but nothing like the 401(k)'s and the savings plans and things like they have today where they could accumulate some money. But they did not have that in those days.

JC: Do you ever remember him talking or see for yourself maybe, safety conditions? I mean, much later, Texaco became real safety-minded but in the early days . . .

CJ: They were not. In fact, that article . . . do you want to read that article? If you want to check that out, I will get it for you.

JC: Sure.

[PAUSE]

Where was Bethlehem Supply Company here in Morgan City?

CJ: Right before you go to the Greenwood overpass on the right. The building is still there.

JC: It is.

CJ: Oh, it was in there. There were a number of businesses in there. When I first came here, the building to the right was a cane field and then after we came in, then another company called Republic Supply came in and built a building right there and that building is still there. That was in 1955, 1956. We added on to the building twice while I was there. I had an extension in the back and we built another big part on the left-hand side which is all still there. We had a pipe yard there where we kept pipe away and stuff like that.

JC: So, when you were going out and calling on the tool pushers out at the rigs, what were some of those guys like? Were they mostly from Louisiana, from this area?

CJ: A lot of them came out of Texas, other areas, but a lot of them were Texans. Texans came in here and started building the oil patch. Daddy and them were from Arkansas but a lot of them were Texans. And a lot of them were from north Louisiana. I cannot remember hardly any of them in this area that were running this area, they worked it. I guess later, they came and did that but this was kind of

new for south Louisiana.

JC: Were most of them college educated or they were more experienced guys?

CJ: Very few of them had college educations. In fact, I do not think you would hardly ever see one on the rig working. In the office, you had engineers and things like that. You know, Texaco had a big warehouse here for years. They were one of my better customers.

JC: Texaco was?

CJ: They were one of the best customers, too. Things kind of changed back then and they sent me to Tulsa in 1979 and I was out there until about 1989 or 1987.

JC: So, back when you would go out and call on the tool pushers, were you doing problem solving with them, too?

CJ: Well, if they had one, we would try to help them solve the problem. As far as the actual drilling of the well, we did not know too much about that, but we knew what equipment it took to do it. Our job was to get them equipment to help do their job in a timely fashion because you could not shut the rig down because it

would cost them a ton of money. If they called you for a part or a piece of equipment they needed, you had to get it there no matter what it took to get it there. If it took airplanes, flying it from wherever you could find it at, you had to get it on back down here and get it out to that rig because you did not want to shut it down. If something broke and you could not run your rig, then it was costing somebody lots of money. It was a hectic time but it was fun, too.

JC: So, did you have more business than you knew what to do with in the beginning?

CJ: Oh, yes. That is one of the reasons I got promoted and sent to Tulsa to the managerial spot because we were doing so much business here that my store was heads and shoulders above all the rest. It was not me – it was the fact that I was in a location that required a lot of materials and we were making a lot of money for them. I took over the job up there first as what they called a product manager, a full product manager, one was over machinery, one was over wire rope which was a Bethlehem Steel product. The Steel company made them.

JC: The sucker rods and wire rope?

CJ: The other thing what we called general product and that was \$60 million to \$70 million a year sales area I was responsible for. One of the funny things was when

I came out of the field and went up there, I skipped a spot. I did not go into . . . we had what we called a resident sales manager in New Orleans and Houston. And I jumped that spot and went straight up there to where a lot of guys up above said you are going to be offered a lot of stuff because I was controlling a lot of money. People say ‘You can’t take any of that stuff.’ I said, ‘Well, I’m not going to take any of that.’ But they did – they wanted to wine and dine you. Once they knew you got control of the money, it was a different deal.

JC: There is a lot of talk about service companies giving lavish gifts and things like that.

CJ: Well, they do. They still do. They still give gifts. A lot of the oil companies kind of shut it down but they still get a lot of gift deals. There was a lot of crooked stuff going on, too. There was a company next door to us, they had some customers that they were buying stuff for and the customer was signing the ticket. They could buy whatever they wanted and they would tell them . . . whatever. They were charging like, for a valve, something that was called, a term they called boiler housing.

JC: Boiler housing?

CJ: Boiler housing, until they got caught and all got fired. But the reason they caught them was because a lot of this stuff they were paying, it was not approved by the parent company. It was just local people doing it. And then, local people did it with people running the rig operations. They were spending a lot of money. The parent company, in this case, found it was spending a lot of money at a tire place in New Iberia. There were three people involved. This guy from the tire company would tell the store manager he needed whatever and he would get it. There was a lot of that going on. Even with the major oil companies, there was one deal I cannot swear to this but there was a guy that they did fire about that time. They claim, at that time, that this guy and some cohorts of his worked for a major oil company . . . they actually drilled the well, plugged and abandoned it all on paper.

JC: And never did anything? And they pocketed the money?

CJ: They pocketed all the money. Do you know how they got caught?

JC: How?

CJ: His wife turned him in. They got a divorce and she turned him in, and he took a lot of people with him, too. You cannot do those things with just one guy. You have got to have a group of guys. And that happens.

JC: That could be a pretty good bit of money to drill and then cap.

CJ: Usually, the oil companies did not prosecute them. They did not want the publicity.

JC: Because of bad publicity?

CJ: Yes. You very seldom heard them prosecuted. They would get rid of them but you never heard them prosecuted. It happened fairly often.

JC: So, you never knew of any of them that got prosecuted?

CJ: No. I cannot remember. There were some big bucks in New Orleans, too. I cannot remember any of them having to . . . I remember one time, the FBI came in to this town because there was a lot of theft going on. Oil fields people were stealing stuff from the rigs, or particularly, the docks . . . like, they bring equipment in to some drilling company and somebody could go and steal it. And they would take it to West Texas to sell it, or wherever. There were a bunch of FBI agents. In fact, one of them came in to interview me one time. I popped off about something I thought I knew about and boy, he got down like that and he

came to see me. I didn't know anything. It was a different oil field. Scared me to death.

JC: So, there was, I imagine, a lot of money that was flowing.

CJ: I was not in this area when the big boom hit in the 1980s. I left before the 1980 boom when they had something like 4,000 rigs working in the United States. They are down to 1200 now. One of these guys down here was lighting cigars with \$100 bills.

JC: Lighting his cigar with that!

CJ: A lot of them went broke. But it was fun.

JC: Do you remember some of the ones who went broke?

CJ: Well, there was a company here called _____ who is still in business here. John Huddleston, he has got the shipyard over here and he had a company called Port Hardware. After 1981 and that area, they had just boats slamming everywhere. The banks had them all. The guys could not pay the notes. They were sold for different reasons and used for different things around the world.

JC: So, when you were doing your work and you would go out to the rigs and talk with the tool pushers, do you remember hearing about guys being competitive and picking up the heaviest pipe and stuff like that? Did you see any of that?

CJ: The only thing I can tell you along those lines is my uncle, he was the toughest man running the crew. His nickname was “Bully.” He was all muscle. He is the one that worked construction. I think he was construction superintendent for Texaco. He was a tough guy. I did not hear a lot of that. Of course, you always had some of it . . . I can do this and I can do that. There was a lot of drinking, too. It got kind of a way of life. People worked all day and partied all night. As soon as it got 5 o’clock, they’d get home, head for a bar. Most of the places had kitchens and there were bars in there. People would gather there after work and would just stay a long time!

JC: Most people, if you were in the oil field, you could make pretty good money. Did you see people blow that money or save it?

CJ: Most of them lived from payday to payday. I tried to save as much as I could but I did not really save any until I got into a retirement position with the company where I was able to put some money away. I am not going to starve to death. Not

rich but I am not going to starve.

JC: Do you remember some of the bunk houses here or roustabout houses?

CJ: I remember some of the guys who ran them. Of course, they were not top of the line, top quality people they had. They would find a lot of them the cops were looking for around the country, they would hide out there or send them offshore and they still found them. I think they still find them down in Amelia, where they have this contract labor. I would not advise you to go down there alone.

JC: So, you could just go in and work and you did not have to provide identification?

CJ: Not too much, I do not think. We were not involved in that anyway very much. Once in a while, we might hire them if we had some extra work to do and we would hire them through these companies as contract work. But we did not have too many dealings with them. A lot of the other companies did and things like that still probably do, but no, we did not have too many dealings.

JC: You were talking about conservation or the lack thereof in Arkansas. Did you see that same kind of thing when you were here in Louisiana?

CJ: They started cleaning things up a little bit. Even when daddy and them came here, they could see the difference. I am talking about in the 1920's in southern Arkansas. It was booming because they would drill the wells and when they would come in there, and they would shoot up the old gushers and they would have to cap them. They weren't too worried about anything. They just released the waste oil and they had pits where they would put the waste oil and then they would burn it. Smoke as black as hell coming out of it. But that is the way they got rid of it. And, of course, the salt water would not burn so it would be released down in the rivers and the creeks and all. They really scarred that country up bad but again, I was up there last September in that area, going with some friends of mine, going dove hunting, and we spent the night there near where I was born. It is all different. It has all grown back up again. But back in those days, it was empty.

JC: They carved it up pretty good?

CJ: Yes, it took a long time for it to recover but it did recover. Mother Nature recovered it.

End of Side 1

Side 2

JC: Since you have so many relatives that worked for Texaco and, I mean, I know you did not but Texaco seemed to get a lot of state leases and a lot of work in Louisiana. Did you ever hear talk about how . . .

CJ: Well, most of that goes back to Huey P. Long from what I understand. They came in and . . . they had a lot of state leases. I am sure there was a lot of stuff we do not know about, we are never going to know about. There had to be.

JC: Did you ever hear of Lease 340 or the Win or Lose Corporation?

CJ: Yes, I have heard of that, that was that Huey P. Long deal and the right people getting those state leases.

JC: Yes, I have but there are always . . . people who work for the company usually have . . .

CJ: Yes, they got a lot of state work.

JC: Yes, Texaco seemed to get a lot of . .

CJ: Oh, yes, they had all that. West Coast Blanche, East Cote Blanche, and Rabbit Island. They took a ton of money out of the state.

JC: Out of the state, yes. What about when you were working . . . Magnolia was a big company and Texaco. What were some of the other companies that . . .

CJ: Well, Shell Oil. Shell was huge. We did a lot of business with Shell. And Texaco. Mobil . . . when Magnolia first came to the area because they were virtually the only ones here then. Later, Shell came back in. I saw him the other day, old Sam Owens who passed away. He was one of Shell's guys. It got later on when Shell was trying to beat the price of the supply companies and one of our deals in New Orleans was a contract for pressure gauges all the guys went in and made excellent price instead of list price, which is a discounted price. I could not believe the gauges we started selling. I did not even realize that there were that many wells out there of mine that they were getting them somewhere else. We turned a deal and we had when Texaco came in later, and I had some connections with Texaco. I knew some people that came and Bill Wilson, a good friend of mine, from New Iberia.

I remember one time, Bill came to my office. I said, "Man, what's happening? My business has been kind of bad lately." Bill kind of looked at me funny. A little while

later, he called me on the phone and he said, “I just looked this up and you are getting about 70% of the business.” It was just a slow period and it tapered off and I was getting worried.

JC: Did you go out and call on the companies?

CJ: Oh, yes. I would go into New Orleans sometimes. People like a guy named Ed Hall who worked for Shell, he thought I was shorting him. We had a contract with him down at one of our stores and I had to go into New Orleans. The hardest stuff, by the time you would get down there, they would claim it was short – it was not all there. So, I had to solve that problem. They said “Clyde, go to Venice.” I said, “I will go into the store and I will look at every order that goes out of here personally and guarantee it.” So, I went there . . . I spent about one month down there in a hotel room and every day, I would go back over the seals they put on box cars that has a little round deal and a long stem to count everything in the sack and we would put a seal on it. So, when it got down there, it was the way it left the store. And we finally got the problem solved. I do not know whether it was happening on my end or on their end.

JC: In transit maybe?

CJ: Somewhere people were stealing the stuff, I guess, or somebody was making a lot of errors. It was one of the little problems we had.

JC: Were any of the companies easier to deal with or harder to deal with that you remember?

CJ: Early on, the oil companies, when we first started, we used to work together well. But then on, when they got, what I call these Harvard Business School people starting to come in, they changed everything. They ruined the oil patch. You do not see any major . . . You've got National Oil Well that used to be two separate companies but they finally merged to survive. Wilson is just about gone. You have got some independents that are operating the AB boat, down in Lafayette to take up some of the slack . . . when I went to work, all of them were pretty well affiliated with the steel companies. Bethlehem Steel, Republic Steel. They are all steel companies, that is, because the big thing is the pipe. The casing companies of the tubular and the tubing. And in those days, that was before the Japanese and the Germans . . . it was after the war. We destroyed all their mills, put them out, and went back and rebuilt it. In the meantime, pipe was in short supply. So, you built up a relationship with the major oil companies. Then, when times were really tight, we had the pipe started working, the bits that were used to drill the hole down, were all run through the supply company. When I went to work, we got a 15% commission

on each sale and that was big bucks over the years, they beat that down – I think it is down around 5 or 6. I think it was one of the product lines . . . we were not even doing the drilling end then because we had gotten rid of them. Our company had sold all the drilling company out and we were not manufacturing anymore when I was in Tulsa. But one of the products is rock bits and they started having to sell them direct. How they did it was Shell Oil Company . . . Hughes Tool who was the biggest supplier of rock bits. They _____ because they were going to the supply stores and _____. They liked it because they got their money right away. When they started drilling, having to drill some of these bits to some of these drilling rigs, they were not financially secure and it might be a while to get your money. So, they liked going through U.S. Steel, Bethlehem Steel, all of these big companies cause they got their money right away. But anyway, we are not sure but we are pretty sure that Shell . . . Hughes was just forced to . . . Shell was a big user, and they just found they could not handle it. The same way with the well heads, the Christmas trees, and things that Cameron makes. When I first went there, all that came from the supply company.

JC: It went from Cameron, say, to the supply company?

CJ: We didn't deliver. Most of the time, it would go from . . . and then they went to what they called these MRO contracts. I had one guy, he was a salesman in Houston

when I was in Tulsa – I just hated to hear him call because the first thing that would come out of his mouth was, “So and So is beating out our price on such and such and we have got to do something about it.” They are picking at you one penny at a time. That way, you could not make enough money to survive. That is what happened to most of these companies. They just got where they could not make a decent profit.

JC: And you said that that change was part of a change in management where they started getting Harvard.

CJ: Yeah, Harvard business school guys. I mean, we were not bad. They brought in one of those guys in about 1980. We had the guy that I worked directly under was the vice-president and the president was getting ready to retire and they brought in a guy from the outside. Bill was going to move into his spot. He brought in some new guys with new ideas to reinvent the wheel. I was the only one that survived. Everybody was gone. Until he finally got tired of it and he brought in some outside people. He brought this one guy. I did not like him for shit. He was the president of some of the little companies over there. Wanted me to go play tennis with him. He wanted to take me here, take me there. No. After this guy came in one day, this guy, the vice-president who thought he would get that job, called and said, “Hey, they just hired a new vice-president.” It was the new vice-president because he was

getting ready to retire. I said, "What? You have got to be crazy! I am going to be working for that guy?" I could not stand him, but I really had to work with him. But he got it, too. It was not long afterwards that was in 1981, it just collapsed. 4,000 rigs went down, 800 working. You could buy whole drilling rigs for the price of nothing. The drilling business had just gone to shit. He brought in this guy and then he got tired and he left. Then they brought in an old Bethlehem guy. His mother was married to the chairman of the board. He was born with a silver spoon in his mouth. A nice guy but he did not know about our business. And then he brought in some outside guys. They would come in to each department, and they came in with a big report, boy, that's when they really started making changes. That is when I went from being that product manager to manager of the general stores. The person who was the manager of the stores.

JC: So, were these guys younger, in addition?

CJ: A lot of them were young, yes. The older guys knew they were trying to reinvent the wheel. But that is what they wanted, new ideas. Anyway, they ended up selling that and our part of the company with this guy from India. He bought the whole company including our division. They were selling off companies and they sold ours but they sold it as what is called an ongoing company. I had 30 years in the retirement. So, they sold it as an ongoing company and I would get the same

retirement.

A little later, they were trying to reorganize. They sent me back to Louisiana . . . I could see the handwriting on the wall and it wasn't a few months later, they were out of business. They made about \$10 million. He may still have this but he is in real estate now. He told me he could make more with real estate than an oil company.

JC: So, you, including your grandfather and your father, had a lot of experience with the oil field. Besides the things that we talked about, what were some of the changes that you saw?

CJ: Mostly the fact that you did not have a working relationship between the customers and the suppliers, personal relationships. It got to be where they were trying to do this and we were trying to do this to survive. That was probably the hardest part.

JC: You lost like a personal relationship?

CJ: Well, we were actually friends. They tried to help us and we would help them. One of the jokes in our Houston office . . . we had 10-15 people working there. They said they would get up every morning and go look towards the Texaco building and bow down to it, there was so much business coming out of there. I mean, tons of pipe.

With the pipe shortages, I have seen paper with 3,000-4000 pipe feet of 10 inch pipe that Texaco bought at one time. It was just unbelievable.

And gradually, what really happened . . . another thing that happened to me was the foreigners came in. Most of them were Japanese. They came in . . . as I told you, the steel companies were king – U.S. Steel. They built the Golden Gate Bridge. And Bethlehem stock was worth \$1,000 a share. I have got some of that right now that is worth zero. But what we did, we just destroyed the steel mills. And then, in turn, we went back in after the war and rebuilt them. The Marshall Plan and all, they had modern equipment, where we would be bragging about a piece of equipment that was 60 to 100 years old and still running. They came in with a quality product. Their pipe was better than our pipe. They started taking the market away from us. The pipe market, which was the bread and butter for the oil field supply stores, was gradually being lost. That was another thing that drove the nail in the coffin for suppliers. They weren't getting the pipe orders.

JC: So, some of the mills that were being rebuilt in Japan and Germany . . .

CJ: They made a good product.

JC: They made a good product.

CJ: A better product than we could make because our mills were not up-to-date. Poured tons of dollars into them but they never could catch up.

JC: That is interesting.

CJ: That is exactly what happened. Another thing that happened is that years ago when the Japanese and Germany were bringing steel into the United States, the union could strike these mills and they did not care. They would give them whatever they wanted and raise the price of steel because they were the only ones who had it. They would raise the price of steel. Of course, we benefitted from that because we usually got what they got. It brought our 50,000 employees and had all these benefit programs, that is what broke Bethlehem Steel. They finally just had to fold. They could not make the requirements for the retirement. Our retirement check now comes from the government. We have what you call a pension, benefit, guaranty, trust fund. They took over all the money that Bethlehem had in their trust fund, took that, paid for that. And, of course, now they are saying that so much of this is happening around the country that that is not even going to get it, not in my lifetime but down the road with social security. They'll be in trouble. That is a different ball game now.

JC: Are there any other things I have not asked that you have thought of?

CJ: I think we have just about milked it dry.

JC: Worn you out!

THE END