

MMS OFFSHORE GULF OF MEXICO
ORAL HISTORY PROJECT

Interviewee: JOHN P. LABORDE

Date: June 26, 2002

Place: New Orleans, Louisiana

Interviewer: Tyler Priest

Side A

TP: This is an interview with Mr. John P. Laborde in his office in New Orleans. The date is June 26, 2002. The interviewer is Tyler Priest. Tell me a little bit about your family, background, and how you emerged in this industry.

JPL: O.K., Tyler. This is the first time I have met you. I am glad to have met you and to have an opportunity to exchange some thoughts with you. I think perhaps I should set the stage by giving you my age. I am 78 years old. I have been involved in oil and gas activities since early 1950.

I am one of five children who was born and raised in a small country town in Louisiana, a little town called Marksville. My father was superintendent of Parrish schools, so he saw to it that we should be educated and, fortunately, all five of us were able to finish college.

I spent four years in the service of our country. In World War II, I was in the U.S. Army and spent most of that time in the South Pacific, all the way into Tokyo. Although I was in the Army Infantry, miraculously, when

we hit New Guinea in 1944 and headed for Lady, divine intervention saved my life. I was chosen to join General MacArthur's advanced echelon headquarters. From October of 1944 through the surrender and one year later into 1946, I was a member of the advanced guard of General MacArthur's headquarters in the Pacific. I refer to that miraculously because being an infantry officer, I had been involved with a mortar platoon on Lady and my prospects were not that strong.

At any rate, I had been at LSU in Baton Rouge before I was brought in to the service, I returned to LSU after spending my final year in the service in Tokyo. I was in the general headquarters there, in the Daeche (?) building. So, we all went home and in 1946 I enrolled as a freshman in LSU law school. I graduated there in 1949 and within a few months, I was hired by Sid Richardson and Perry Bass to join their organization in New Orleans. I had originally planned to go back to Marksville and practice law with my older brother who had been kind of hoping and counting on that during the war. At any rate, I decided to take a fixed income in the form of a salary. It was a nice experience in my life.

In January, 1950, I joined the Richardson and Bass Louisiana account in New Orleans. From then until 1956

I worked as a lawyer and a land man for the various supervisors in that company. It was a nice experience for me, but it did introduce me to the oil and gas industry and the service industry, and so forth. Mr. Richardson was a very prominent, independent oil producer from Fort Worth, Texas. Perry Bass was his nephew and is the father of these fabulously rich Bass brothers who are now in the news.

Almost out of the blue, I was approached by an investor group which had been organized by my brother, Alden, and my oldest brother, C.E., who was the practicing lawyer in Marksville. They asked me to join them in a venture, along with some 8 or 10 other investors, that envisioned the design and construction of a special vessel for servicing offshore installations. Primarily, it was a new rig concept which reflected itself in the Mr. Charlie, but also, it was platforms that were envisioned in the shallow waters of the Gulf and deeper and deeper as it went on. Up to then the industry had a very limited history, but the marine support was being offered by converted fishing vessels, shrimp vessels, oyster troiles and to some extent tugs and barges which were not very seaworthy for the open sea.

TP: I always think of the movie, "Thunder Bay" . . .

JPL: Yes. Also, surplus military vessels which were available rather cheaply in those days after the war; subchasers, LCTs, LCMs, and things like that. Those were being converted into the service and they did okay. They were not designed for that, but they were serving a purpose.

I think it is fair to say that my brother, Alden, who had a naval background, conceived of a design that would have put a forward pilot house on a vessel and left the entire rear deck open. That was different from what had been designed earlier with a forward open deck and a stand pilot house. They were finding that that was not working very well and so that design gradually faded. Conversely, the forward pilot house concept has proved very, very efficient and practical and serviceable. Therefore, it is even still today the design of choice for the worldwide offshore marine support industry. There are pictures right there of brand new vessels and that is what you see - a forward pilot house and an open deck.

One of the things that happened to me en route to my tenure as the first president and CEO, Tidewater Marine Service was that this guy came to see me; a guy named Eddie Kyle from Morgan City. He was one of the investors and he was somewhat of a character and a fine business

man. He had many friends in the oil field. When he asked me if I would join them and organize this company, help raise some money, and then supervise it, I told him that I really did not know very much about boats and that maybe I was not their man. As a matter of fact, I was probably the third or fourth choice that they had because the contract that I originally signed to go to work, which was not a contract at all, but we scratched through the names of the prior ones they had chosen and we just wrote in my name, more or less temporarily, I am sure! At any rate, I told him, "I don't really know much about the marine business. There is an awful lot I will have to learn." He said, "You don't have to worry about it. All you have to do is buy lunch for the customers and play golf." Well, you know, I can probably buy lunch, though my golf leaves something to be desired!

I resigned from Richardson and Bass but I picked an office right next door to them. In case this thing did not move, I had an eye on my desk that I had vacated and they had told me to come back when this thing failed.

TP: Do you remember the names that they scratched out above you?

JPL: Yes, a guy named Tom Butler who was with Bayroid was

their first choice. He was a fine guy but he got cold feet at the last minute because there was too much risk involved in this. He had a pretty good job as a Bayroid (?) mud salesman. You know Bayroid?

TP: Yes.

JPL: O.K., so he was pretty well established. He was a fine guy and he probably would have done a good job with it. At any rate, I started out by buying a typewriter and buying, or I should say, conscripting, a desk from Richardson and Bass. So we started on the second floor of the Warwick Building here, right above the Richardson and Bass office. We had this little apartment, about like this, and hired a gal who was a combination of secretary and bookkeeper. And that is how it started. From there, we went to St. Louis, Missouri and raised some money. Some of the same people who had contributed to the Odeco venture were who we approached again because . . .

TP: Was that Murphy?

JPL: It was not Murphy, but Birch Williams had been with Murphy as the chief financial officer. In the interim, he had moved to a firm called Reinholt and Gardner in St.

Louis, an investment banking firm. But Birch was involved with raising money for Odeco and he was one of the private investors in Tidewater Marine. They had built one or two initial boats. That is when I found it. The Ebb Tide was the first vessel.

TP: That was before you came on?

JPL: It was built before I came on, yes. It was out there and the Rip Tide was also out there. Those were the two first vessels. But at that point, Birch Williams really had a vision of developing this into more of a company. Since we had no money, it had to be considered as a public company. So, that is the way we proceeded, and went out and raised some money from private investors, raised \$485,000. I went to the Whitney Bank and borrowed \$1,300,000 from a tough old bank. With due credit to them, they deserve some credit for having had the confidence in all of us that we could make a go of this. They had a reputation for being very, very tough and the chairman of the board there was an old guy by the name of Kean Berry. He also had a reputation for being very tough to negotiate with. I found just the opposite. He could not have been more receptive or helpful. I used to use him as a sounding board for the wisdom of certain moves and decisions. So, he was very helpful to us.

With that initial money, we ordered five vessels to be built by American Marine Corporation and those were 135 footers, 1200 horsepower.

TP: So, those vessels were to be for crew and supplies?

JPL: No, these were the supply boats.

TP: Just the supply boats?

JPL: These were just the supply boats. They were the forward pilot house with an open deck. In those days, crew boats were perceived to be rather small boats - 40 footers or maybe 50 footers. We built the first 65 foot crew boat of aluminum and had to give it away to get the oil companies to give it a try. This was in the early 1960s. Most of them felt that aluminum would never stand up in the salt water, that we would walk out one morning and there would be powder on the water with a row paddling on it!

So, it was a battle to get acceptance for new ideas. Now, our crew boats are what people refer to as aluminum crew boats, high speed, planing hull vessels, and are almost the size of small supply boats. You have them 160 feet long now, with a large open stern deck, and they are

used for mostly hot shotting smaller cargo to and from drilling rigs or platforms.

TP: So, you had the five initial boats . . .

JPL: I had the five boats. And then, we started looking around and saw some other equipment, not supply boats but heavy duty displacement . . . what had been designed as shrimp boats probably . . . the Bay Tide was a 65 footer that we bought in Morgan City and added to the fleet. Shortly after we started, the first cycle hit in 1957. Business got real bad and we owned, I think, 12 boats at that time. I walked out on the dock in Morgan City one morning and 7 were idle, leaving only 5 working. So, Birch Williams and I decided to go to Venezuela - the only other place in the world at that time where there was activity in the water. That was on Lake Maracaibo.

So, we went down there and spent one week down there just kind of nosing around. We found an old guy by the name of John Colem^onus who was of Greek origin and a real character. He had a few old pieces of equipment floating on the lake; not really a very handsome fleet, but nevertheless he was making money. At that time, Shell, Minigrande and Creol^o were the big operators on Lake Maracaibo. They were hiring this stuff, you know. They

had a dredge and an old derrick barge and a couple of old tugs. But, I mean, this was not state-of-the art by any means. But hell, he was making money. But the way he did it is he put revenue in one pocket and paid his expenses out of the other. We talked to him about acquiring his business and his answer was, well, he did not have any books. There was no way of knowing exactly how he was doing, but he had all the evidence of doing very well. So, we became friends. We were not able to do a deal with him. Someone else did later.

We had bought a little company which was four little crew boats that were already in service on Lake Maracaibo. And it was called Semarca. Servicio Maratimo Marine C.A. We found two very interesting and very capable young people who were working for other companies in Maracaibo but had started this little marine operation. It was kind of a part-time hobby for them. We bought that operation and hired one of them to become full-time manager. His name was Howard Hogue. Howard was a very aggressive guy. Since we had a little financial backing because of our public ownership, we started buying some tugs and some small stuff here that was in existence. We were also soliciting new work on the lake. About that time, the lake opened up to new concessionaires besides Shell, Creoli, and Minigrande. It opened up to Phillips,

Sun Oil, San Jacinto Oil, and others like that.

TP: They were really active. I remember from the Brown & Root history that they were building a lot down there.

JPL: Yes, so we ended up sending a whole parcel of new equipment down there under contract. We would build them here and then take them down there and put them into service. So, it became a very, very attractive operation. It was the first evidence that I had of how international operations can stem the cycle of the Gulf of Mexico. When things were down here, we were kind of booming on Lake Maracaibo, so that was very good for our stockholders. So from there we started going to other areas; we went to Trinidad and the North Sea and then, in 1964, to Nigeria. Where else besides Nigeria? Oh, Egypt, in the Gulf of Suez. And then also into the Middle East, into Kuwait and Dubai and Abudhabi and those places. And then, into India.

And then, at the same time, we started going the other way, too. In 1961, we opened a new operation out on the West Coast of the United States, out of Santa Barbara. We moved Howard Hogue from Venezuela there and he developed a lot of business out there which covered Alaska and the West Coast. So, we ended up with a major

segment of our business developing on the West Coast. You know the history of that. There has been so much controversy about the West Coast.

TP: Just after the Santa Barbara blowout . . .

JPL: All of that. But, you know, we did well long after that. There were several new discoveries after that. But also, Alaska then bloomed and Cook Inlet and then on the North Slope and throughout the area. We had management in Anchorage.

TP: Alaska is a tough place to operate. Was it bad for suppliers?

JPL: Not as bad as most people can imagine. High tides. In Cook Inlet, there are 33 foot tides and about a six knot current with the tide. So, that made it a little tough, but for the most part it worked quite well and we made nice money there and developed good relationships there.

We built some boats in Vancouver, B.C. They went to work for Shell Oil on the west coast of Canada. Then we started building boats in other parts of the world, in Southeast Asia.

TP: So, you were building them all over the North Sea?

JPL: Yes, we built in the North Sea, in Norway several times, in Holland, in Germany and France, in Denmark, and the U.K. Also, we built a few small vessels down in South Africa. By then, we were working off Angola and Cabinda and Ghanna and the Congo and Zaire . . . and then Nigeria, as I mentioned. In 1967, we did a joint venture in Australia and New Zealand with Australian partners - the Brambles group there. We developed a nice business down there. We had to build all of the equipment new down there, but it was good equipment and we had a good partner and we did quite well down there.

TP: How did your contracts with the oil companies work? They would have your supply boats under contract?

JPL: In the domestic area here and in the very early days, they were willing to give you a two or three year contract for you to build something new and very efficient for them. As competition developed and others started building and getting into the business, as always is the case, it got very competitive - both price and contract wise. So, that kind of stuff dissipated. We were still able to get a two year contract on the West Coast if we were going to move a boat through the Panama

Canal and then on to Alaska or something. But even then, local developers came into the competitive picture on the West Coast and they were willing to do it a little cheaper or a little different. Most of that has dissipated and been lost to the service industry. The idea of any comfort from longevity of contracts in the Marine business is pretty remote.

TP: Was there a definite turning point?

JPL: Well, it turned in the mid 1960s. That is too bad because the service industry is almost totally beholden to the major oil companies or the major independents; as they go, so does the service industry. The difference is that most of the service companies do not have the financial moxie, the fat on the bones, to be able to withstand these terrible cycles.

TP: They are always the first one hit in the downfall.

JPL: They are the first ones hit, but they are also usually the first ones to try to respond to the needs or the desires of the customer group. And most of the customer group wants first class, very safe equipment. They want it with bells and whistles and at a cheap price! That makes it very difficult. When a marginal service company

tries to meet the needs and the demands of its customers, usually it is by borrowing a lot of money and being very aggressive with new construction, and so forth, in anticipation of some work that will amortize those debts. Well, when these cycles hit, that cuts the knees out of the service industry. That is too bad because they deserve better because they are mostly entrepreneurs, they are good business people, and they are trying to fill a need. But they are also trying to make some money.

In the case of public companies like we were, my job was to make money for stockholders. Very early we learned that diversifying in both types of equipment and in geographic spread gave us a hedge against the cycles that were inevitable in the domestic area. Not everybody in the Marine business could afford to do that. We were all alone in that respect for many, many years. But today, that is not the case; there are literally dozens of people who are all over the world in the Marine business.

Fortunately, Tidewater is still the largest. Much to my regret, I think they lost a little of their leadership clout in the deep water concept by waiting so long to build new equipment that would have met the demands or the competition in the deep water areas. But they have

now recognized that and they are not very aggressive. Tidewater has a very extensive new construction program and most of it is to meet the deep water needs of the industry on a worldwide basis.

One of the interesting things about the development of Tidewater is that when we first went to Venezuela I had a real tough time selling that concept to my people.

TP: To go abroad?

JPL: Yes, that was before the jet airplane.

TP: How big was the company at that point?

JPL: Well, it was not very large. By the time we did the first venture into Venezuela, we had maybe 15 or 20 boats. But to go to Venezuela you had to stop in Havana, Cuba, in Montego Bay, Jamaica, in Caracas, Venezuela, and then back to Maracaibo. You would leave here at 9 at night and arrive in Maracaibo at noon the next day if all things went well! So, it was kind of at the end of the world.

Interestingly, our people adapted to that. They could always think. They could always think, 'We don't know

the labor laws,' and stuff. You finally just said, "Let's go learn all that. If we can get revenue, we can handle the rest of this stuff.' And so, we did that. I am happy to say that not long after that, in years, that was never an issue again. We would get solicitations from the Philippine Islands or from other places in the world. We had never heard of some of them. We had to go to a map to look at them. And no one blinked an eye; they knew we could do it. And that was very gratifying to me that everybody pitched in and that became common place. And even today . . . I read yesterday where Dean Taylor is talking about Tidewater's international exposure. Well, that is not a new subject; that is an old subject.

TP: I am surprised at how rapidly you expanded abroad.

JPL: Yes, and we went to Trinidad in those very early days and sent crew boats down there. We sent the Ebb Tide to Lake Maracaibo because it was a small supply boat and we thought it would work on the lake. They never really liked it there. They were used to tugging a barge on Lake Maracaibo, so we furnished tugs and barges. And then we sent the Ebb Tide to Trinidad where it spent the rest of its life. It was an old boat at that time. It is gone now, I am told, but it was in service for Bayroid

there for years and years.

TP: No one knows what happened to it?

JPL: I tried to find out and I was going to try to shrink it for a desk ornament, but I have lost track of it. The last I heard it was in very bad shape in Trinidad. And that figures; it was built in 1953, so that is a long time ago.

TP: 1953? I did not realize it was that early.

JPL: 1954, maybe. It was one of the two that were in service by this group of 10 investors when I joined the group and then kind of organized the company and set it up. When I joined the group, they said, "Well, you take charge now. You rent an office and get a typewriter." I said, "Well, who has the files?" They said, "We don't have any files!"

One of the first things that hit me was a charge from the Coast Guard that we were being fined \$168,000 because we had the wrong crew on the Ebb Tide and each day is a new fine. My God, I thought, I do not know a thing about it. So, I went down to the Coast Guard office with this in hand and said, "I don't know what this means, but you've

got to help me. This will bankrupt us before we start."
Captain Ruckert was there then and he was a fine old
gentleman. He understood the problem and said, "Well,
send us \$2,000." So, that was the fine.

TP: Were you under the same regulations as fishing vessels or
any other vessels?

JPL: No, that was one of the problems. There were no special
laws or rules or regulations for the offshore industry.
It took years to get that developed. So they were kind
of groping for what they were going to use to regulate
this industry and they were taking some from fishing and
some from God knows where else. I do not know where it
was coming from. They were in good faith but they had a
problem. They had just never envisioned this industry;
nothing of drilling rigs, specialty design boats, what
kind of crew you would have and all that. It was an
interesting situation.

TP: You had mentioned Beaux Dykstra as helping get the
Tidewater out in the early years. Can we talk about that
again?

JPL: Yes, I will. I knew Mr. Dykstra quite well, but I was
just a young man trying to develop this company and

trying to set it up with some semblance of reputation and credibility. We did have stockholders at this point. Beaux Dykstra was the head of the Shell Oil Company group here in those days. He was a big man. I was very hesitant to even try to see him, you know, but at any rate, once or twice I ventured in his direction and he would see me. He was always very encouraging about what we were doing, how this was happening, and how this was coming. That finally pervaded through his organization, so we got some audiences with some of his subordinates and people who helped along the way. They hired a number of our boats. Phillips Petroleum did the same thing out of Morgan City and Gulf Oil Company out of Morgan City. But Beaux Dykstra was outstanding in that he was encouraging in trying to get you to do more and be helpful. He would help pay for it by hiring the equipment.

TP: And this was about the same time as when he hired Mr. Charlie from Odeco?

JPL: This was in the late 1950s, early 1960s, from 1956 on for us. These five new boats we had were coming out during the late 1950s and we had to find homes for them. Fortunately, between Shell, Phillips, Gulf, and the Offshore Company was a drilling company in those

days . . . for a while, the drilling contractors would hire the boats and serve it as a package with their drilling rigs. We worked with them some.

TP: Did you supply tender vessels?

JPL: No, we did not. We never got into that. That was a specialized piece of equipment and we just did not want to get into the drilling business. That would have been a competitive thing with some of our customers. And we did not have the staff or the personnel who were experts in the drilling side of the business. So, we avoided that.

Several times along the way, we went back to stockholders and raised more money. I credit Birch Williams with a lot of the credit for developing us into a public company because his answer to me used to be, "John, if you've got a good idea, we can get the money." He was willing to go back to stockholders or find new stockholders or new investors. That pervaded our corporate philosophy because there was no one else in the marine business who was publicly owned. Therefore, we took the position that we had an unlimited future of growth and expansion and, hopefully, profitability. We enjoyed that role for many, many years. In fact, it was 30 years before anyone else

came along as a public investor owned company.

TP: Why do you think you were the only one?

JPL: Because there was a perception that the drilling business was a lot better than the boat business. I have always contended just the opposite because drilling rigs are primarily for exploration. The boat business is not only for supporting exploration, but it also supports development and production. Those are the long-term concepts of being in the oil business. God knows, you can see what happens to the German rigs; they are up and down, up and down. In Tidewater, I used to always say that 65% of our revenue emanated from supporting the production and the development side of the business and 35% came from supporting exploration on a worldwide basis. We went hard after getting the jobs that related to production and development; because, on occasion, a boat could stay in an oil field service for 10 or 15 years. Those are the kinds of jobs you need to survive in the Marine business - where you are not in an up and down situation.

TP: That is interesting.

JPL: And all along the way, we were always very aggressive in

acquiring some of our competitors who were privately owned mostly, but later on publicly owned, too. In 1959 we made our first acquisition - no, in 1958 was Venezuela, but 1959 was a company called Offshore Transportation Service. That was in the Gulf of Mexico here. They had four boats they had built.

TP: Were they based in Morgan City?

JPL: Yes, in New Orleans and Morgan City. It was kind of a hobby with them. The Caterpillar people were involved in it and one of the lawyers in town here was involved in it. Donald Bollinger, Sr., Boise's father from Barlor (sp?) Fourchet was involved in it. The manager was a guy by the name of Captain Cole Winland who had been the Coast Guard commander of the Eighth District and he retired and they hired him to . . . It was a nice little operation, but it was not working and we hit that downturn. So they were looking for a way out, and so we bought them out with Tidewater stock, which was at \$1.50 a share at the time. When the stock got to \$3.00, Caterpillar cleared out, the lawyer cleared out, but Bollinger never did. He was very loyal and they ended up making a ton of money out of the stock. Winland found another job and later died. So, that was one of the first acquisitions.

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Then, in 1968, we acquired Twenty Grand Marine Service out of Morgan City and, at that time, they were our next largest competitor. The Justice Department got involved and tried to stop us because it was #1 acquiring #2. That took almost one year to clear up; lots of legal fees and lots of presentations.

They finally approved going forward with the caveat that we sell four boats over a five year period. Well, you know, that was no hill for a climber. We would normally have sold both anyway, but when they were getting old we were trying to get rid of both into different services . . . interisland trade, cargo movements in the island, and things like that. Not the oil field. So, we were able to go forward with that in 1968.

In 1968 and 1969, we also decided to diversify and we went into the compression business, we acquired a company called Sandair, and then Universal Compressions. That worked very, very well because that also was a production type of activity. We called it Tidewater Compression and it headquartered in Houston, Texas. We grew it; it became quite a large operation. As a matter of fact, shortly before I retired in 1994, we acquired the compression company that Haliburton owned and paid them \$206 million in cash for it. We had previously acquired

George Mitchell's compression company in Houston. The combination of those acquisitions made us the largest gas compression company in the United States . . . probably in the world, but I never knew where else it would have been.

TP: How did you make the decision to diversify the gas compression?

JPL: Well, it too, was involved in the oil field. It was the service operation. We looked at some of the performances of some other companies that we were looking at acquiring and never doing quite well. It had the appeal of being mostly onshore in the U.S., but had the potential of offshore activities and foreign activities. And it was all relating to production and development activities as opposed to drilling.

TP: So, at the gas compression company, you did not build the compression unit?

JPL: We used Ingersoll/Rand. We had large shops. We did a lot of fabrication of various components that we bought from different companies who built the tools themselves, but we put them together for a particular application and the particular oil field or gas fuel. So, it became a

rather interesting business. Yes, we had large shop activities and lots of fabrication. We did not manufacture the engines. We put the components: a generator and a compressor and a pump and so forth and built it onto a slab or something and trucked it to a location. Sometimes we would sell that equipment, but most of the time we tried to lease it and manage it on a day to day basis to keep it running and keep it in performance. That worked very, very well; I was very distressed when Tidewater chose to dispose of it. They got \$360 million for the outright sale of it. I was still on the board but I was not able to convince the board that they needed to keep it. I think their intention was to generate the cash and have cash available in case they wanted to do something else in the Marine business.

TP: Did you also go abroad in gas compression?

JPL: Yes, we did.

TP: When we worked on the Brown & Root history, they had built a couple of big ones in Lake Maracaibo. That was a little tricky.

JPL: Well, but they built a plant. We had individual units

that would work with one well at the time or a combination of wells.

TP: Yes, because they were injecting a lot.

AP: Yes, and they were the mother-load in that. We were not competing in the large construction facilities. But at any rate, it was a nice complement. During the downturn of the mid 1980s, thank God we had the compression business because it became the cash cow and kept us afloat when the marine business had just gone to hell on a worldwide basis. So, we saw the value of it at that time.

TP: Tidewater has been very good at strategic diversification over time.

JPL: Yes, absolutely. And one of the strong points was that we could provide a customer any kind of marine equipment he wanted.

End of Side 1

Side 2

JPL: We had boats everywhere from 120 feet to 250 feet long, horsepower from 600 horsepower up to 10,000 horsepower, we had tugs that ranged from 1,000 horsepower, 600 horsepower up to 5,000, 8,000 horsepower tugs. We had a complete tug fleet when we acquired \$20,000, half of their fleet were tug boats and offshore barges and that type of equipment. One of the things that I tried to develop was that we could furnish a package throughout the world of anything that the customer needed in the way of marine equipment.

TP: Did you build launch barges for jackets?

JPL: No. Well, we built 400 and 450 foot barges offshore that were sometimes used for that. Generally, we built them for leasing out for overseas trips with big tugs and carrying heavy cargo and things like that. So that was what our concept was. We could furnish every crew boat from a 30 footer up to 160 footer, to some place in the world. And we often ran them on their own power.

We made a big deal one time out of running five 40 foot crew boats from Morgan City, Louisiana, to Lake Maracaibo. It was kind of a splash thing. Some of the

oil company people and the builders rode them down. Sewart Seacraft built them at Patterson, Louisiana. Old Fred Sewart rode them down there to prove to the world that a 40 footer could make it all the way through the Caribbean. Those were fun things.

When I look back over 40 years . . . actually, I was chief executive for 39 years and then on the board for six more years with Tidewater . . . it has been a marvelous trip for me. I have loved it. I think maybe too much because we got so loyal and so involved in bringing it from zero to the monster that it was and is today, that we got to where

For instance, I never would dream of selling a share of stock or anything. Today, that is commonplace for CEOs and managers to get a few shares of stock ahead and cash out and all that. An awful lot of our people had the kind of loyalty that would not dream of doing that. Today, that is not even frowned upon. Everybody thinks, oh well, that is the way life is. It is not that way. There are people who have a tremendous amount of loyalty, a desire to make things work, to see accomplishments, and to be a part of it.

TP: Who were the people in Tidewater that deserve credit for

that?

JPL: Like I said, Birch Williams. My oldest brother, C.E., who was our corporate counsel. And let me tell you a story about him. He was a country lawyer, but probably the best corporate lawyer I have ever know. He is now deceased. But along the way, we had board members from New York. Burman was an outstanding lawyer from New York, Defendant Sergeant McKeehan in the Paris Island disaster, and Sirhan-Sirhan who assassinated Kennedy. Anyway, Zeke Burman was on our board. He was a friend of a friend and he brought something to the board. There were others like that. And along the way, my brother's retainer from the company as a lawyer was \$12,000 a year. And along the way, Mr. Berman said, "This is ridiculous. We should be paying C.E. \$100,000 a year for the work he does, and all that." My brother said, "Oh, no. I am well paid. I don't need any more than that." If you can imagine that in this day and time! But he was also a stockholder and he was devoting his time and effort mostly toward his stock being worth something. And fortunately, it was, to a great extent. He had 9 kids when he died, so they had something to spread around a little.

When I say, "too much so," guys like Damon Bankston was

my executive vice-president for 30 years. These were good, good people who had the right heart and who worked hard to make Tidewater what it was. They watched every penny that was being spent to be sure that it was properly done and it was the maximum that could be gained from the expenditure. I mean, people like that. We had lots of people. Dick Felipe was the chief financial officer. Marty Williams down in Venezuela.

God, I hate to start naming names and leave people out because there were dozens like that. Even down in the ranks of mechanics and boat skippers and people like that . . . just marvelous guys who had lots of ability. They were not fancy, but boy their hearts were great and they worked hard and had a purpose. I tried to reward those kinds of people because all through my career at Tidewater, we had a rather attractive stock option plan which went all the way down, sometimes to deck hands even. Unfortunately, not all of those fully appreciated what that meant. But, a lot of them did and I could show you letters from literally dozens of old employees who talk about living on their retirement now, their stock and retirement plan. They are so grateful not only to me but to the board and to the people that put this company together. It was a marvelous experience. It is pretty normal that it will not remain that way forever. As time

goes on and people change and the history of the company fades into oblivion, there is a good chance that some of that nostalgia that we have for the beginning and the middle will be lost in the shuffle.

TP: A lot of people talk about this era in the same way - good companies had loyalty to those companies and they never imagined working anywhere else

JPL: Exactly.

TP: Not just that they ~~could not~~ imagine selling their stock, but employees thought they would be with the company for their entire life. Many were. Now you do not find that kind of continuity.

JPL: Yes, and people that would go the last mile to make it work. Back in 1964, we got jobs with Amoco on Cook Inlet in Alaska. We sent three boats up there. We had never been up there before, but we were with a boat captain on one of the boats who was one of our senior guys . . . I hesitate to give you his name because I do not want it to be misinterpreted. He had probably a high school but maybe not even a high school education, but he had been on shrimp boats and oyster luggers. He knew how to handle a boat and he knew the rules of the maritime

world. He went up there. We said, "You are the manager of these three boats and you are working for Amoco. Here's the dock. Here is what you need to do." "Why don't you try to get this going and keep it going? Stay on the dock sometimes if you need to supervise the other boats or buy the groceries or do this thing." I mean, he did it all. We did not have to have a manager. We did not have to have an office. All we had was an old guy who would sleep on his boat and run it, but he would also keep an eye on the other two.

It was about as an efficient an operation as you could think of. They would sometimes work pulling double and triple shifts and all that just to make it work. And it is great to remember that because young people would laugh at that today and say, 'this guy must have been crazy or something.' Not so.

TP: They felt like they had a stake in what was happening.

JPL: Absolutely. And when things got really rough in the 1980s where we had to get rid of some people and so forth and double the duties on the others and all, boy, they took it and said, "No problem. I can do that." Then, they were part of the solution. They took pride in taking twice the duties that they had before and seeing

us through a tough time. There was just a great feeling for that.

TP: You admitted earlier that you did not know much about boats. Did you become a lover of the sea and boats and become a marine person?

JPL: In the early days, you have to do it all. So, I knew all the crews. I learned all the lingo about the engines and all that kind of stuff. And I really miss that part. That is a great way to start a business - to be there for the birth. And then, to know the people and have contact with them. For the first five or six years, I knew every employee in the company. I even starting knowing a lot of them in Venezuela, on the boats and all that. Pepe and Hugo and all of those were kids that I became familiar with and admired.

That is a nice way but the problem with it is when you start so small like that and you have your hand in every part of the business, it is hard to break away from that when you reach the level of size where you can not possibly physically do it. You have to learn to delegate. And if I would ever accuse myself of one serious problem, I was very reluctant to delegate. For probably much longer than I should have, I kept trying to

be a part of most of the decisions in the company.

I obviously felt that was good at the time, but in hindsight I think that probably was not as good. For one thing, it made me work too hard because in a public company, keep in mind that there is also a whole new section of work that has nothing to do with running the boats and that is dealing with the public; with your investors, with all the things that are expected in the way of reporting, board members, board meetings, preparation for all of that, analysts groups, one-on-ones, two-on-twos, conferences, travel throughout the world, not only operational but also for investment purposes. So, it becomes somewhat of an assignment. But fortunately, all of those things finally come together. I look back on it with great pleasure. I admit that I worked very, very hard. I was obviously not always successful on everything, but in total, I think we stand on our record.

TP: You built something from scratch to one of the largest

JPL: Absolutely. And it is still at that level.

TP: I am interested in Tidewater's relationship with the

customers and the clients and the oil companies. Are there people that you have fond memories of . . . clients you were dealing with in the oil companies you mentioned? Beaux Dykstra? Were there people in Gulf or Phillips or some of the other companies that you remember dealing with?

JPL: Yes, there were plenty of those. Dave Goodwill out on the West Coast was with Amaseas. Gene Clark was with Phillips out on the West Coast. Down in Venezuela, I became friends with the head of Sun Oil Company. Some of those have passed on, too. John Pickman with Shell here; these are people that I remember very fondly. Lib Curtis was here with Shell Oil Company. Jack Gordon with Shell Oil Company. More recently, Bob Howard and Jim Wilson.

TP: I have talked to both of them.

JPL: Jim Wilson? You have talked to him?

TP: No, Bob Howard. We have not talked to Jim Wilson. He is in Canada, I think, right?

JPL: Yes. He came from Canada. I think he may have gone back there. But then, the other companies did, too . . . Exxon, Amoco; Mr. Swearingen with Amoco was the top dog,

but he was in and around here some. We got to say hello to him every once in a while. After we gained some size, then our sales group developed those relationships to where they were on a first name basis with, maybe not the top people, but the level where they needed to be because they were calling on the people who could call the shots and who hired boats and rigs and things like that.

Strangely enough, most of the rigs were hired by the chiefs of these major companies. Boats were not necessarily hired that high; it was at a lower level within the company. Our sales cadre learned to call on the proper levels for the people who could say, 'Yes, I want to hire your boat.' That was not Beaux Dykstra or John Pittman or some of the others. With Phillips, it was Johnny Etheridge. They were both out of Bartlesville. If I think about more of that, I could probably come up with more names than that.

But, all along the way we made a number of acquisitions to gain the size and, at the same time, kept building boats most of the time. There was very seldom a long period of time, more than a year or two, where we were not building new equipment because there was always the idea of a state-of-the-art that could be improved on.

TP: Yes, and like you said, you are always selling.

JPL: We were having old boats that were becoming a drag on expenses. We used to think in terms of 15 year life for a boat. If you had to Coast Guard approve it again for 15 years, that was a pretty big hunk of dough. Now, the time lapse has been extended. People are thinking more in terms of 20 and 25 year life. A lot of that has to do with building earnings and not having such large depreciation early, to where the appreciation goes on for a longer period of time. Nevertheless, that is one of the things that has happened to the whole industry.

TP: This is really fantastic. I love just hearing you talk about all of this. One thing that interests us are the cycles of boom and bust in the industry. You mentioned a couple of times already the mid 1980s.

JPL: Well, that was worldwide. Starting in late 1983 until the end of 1989, that was pretty brutal. Most of the companies could hardly survive. Fortunately, we made it through. But in addition to bad business, during that whole period of time we had two corporate raiders who moved in: Irwin Jacobs and the Briley group out of New Zealand moved in and bought five percent of the company. Jake has bought 20% of the company. So, I had to deal

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with that rascal almost daily for 6 years. He kept trying to buy us out and intimidate us. Our board handled that very well. I hope I did, too.

TP: What did you think his plan was? To buy you out and sell off all of the boats?

JPL: Liquidate it or sell out the boats and then take a profit out of that. He made the mistake of putting two of his people on our board. And when he did that, they started learning something about the business. They came to board meetings and they heard what we said and what we did. I think finally one of them went back to him and said, "Irwin, we just made a bad deal. These guys are doing everything they can and there is just no money to be made out there. Why don't we get out?"

One morning in 1989, I called our lawyers, Morris Kramer with Scad and Arps in New York, and I said, "Morris, I've had about enough of this. I had a dream last night. Why don't you call Irwin and tell him to get out? We are doing the best we can. Prospects don't look so good. I'll go on a road show and I'll sell his stock to the public for whatever we can get for it but it will get him out" . . . Morris Kramer said, "Man, you must be smoking dope this morning. He's not going to do this." I said,

"Well, give it a try." He called back in about an hour and said, "I can't believe this, but let's try it." I said, "Well, let's set up the road show." The stock was at nine dollars when we started the road show.

By the time we finished the road show two weeks later, the stock was at eleven dollars. So, he had already done better than he had planned on. He had paid \$17 for it though. So, he cashed out and we sold that stock through an underwriting, the number of funds bought it and so forth. Then we found out that during that road show, the Briley group had fed their shares into the market, too, because they were getting a profit. They had paid about four dollars a share for it and they were getting nine and ten and eleven bucks. So, when we finished with Jacobs, I had gotten rid of both of them and some way, some how, business got better.

In the latter part of 1989, business picked up. In March of 1990 we were able to go to the public and we raised \$60 million dollars in a new issue and paid off most of our debt which had been clobbering us for this whole six year period. We were struggling with the debt, but we got rid of it and business held up pretty well for another couple of years. Then, it took a downturn again in 1991 or early 1992. That is when we acquired the

biggest company in the business which was Zapata.

TP: Zapata Gulf Marine . . .

JPL: Zapata Gulf Marine. We acquired them in January of 1991. That was the most strategic acquisition in my whole career because it brought in a lot of equipment from all over the world. So, we were able to enhance our positions all over the world without any new management in any of those. We were already in all of these areas, we just added equipment. That was a great stroke on our part. I think history will say that the Zapata Gulf acquisition was the most outstanding thing that we accomplished in my whole career because it meant so much to our stockholders.

TP: So, you purchased construction vessels from McDermott International?

JPL: Oh, yes. That happened also in the early 1990s. We bought some tugs from McDermott all over the world in return for a commitment that we would service their operations wherever they needed them. That worked very well, too. That was in 1992.

TP: So, you bought tugs from McDermott?

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JPL: Yes.

TP: That is interesting. And then you retired as president and CEO in 1994?

JPL: Chairman, president, CEO. October 20, 1994.

TP: Well, it is a long and distinguished career. I noticed on your web site that you said that, from time to time, Hollywood came calling to use the Tidewater boat in a movie.

JPL Yes, and they did on occasion. That was mostly out on the West Coast, though, because they could see them there. The movie stars could restrain their comments about the problems and the creations of the oil and gas industry for a little while while they rode the boat!

TP: Can you think of anything else you would like to add for the record?

JPL: Well, along the way we also diversified into some government contracts for undersea research and experimentation of different types. That was primarily in the mid 1960s when there was a lot of concern about antisubmarine warfare and that type of thing. The

government was trying a lot of different things. So, our boats adopted very well in this big work area in the back with winches and divers having facilities for going in and out; and at the same time, living aboard the equipment. That was a fairly interesting part of our life. We developed that fairly well over the years. It was very competitive, but we were very successful in that business for many years. We still retain some relationships there.

TP: Tidewater also got into oil drilling and production briefly, right?

JPL: Yes, I forgot that! Well, yes, we acquired Hilliard Oil and Gas in 1977, which was a small exploration and production company located in Menlo Park, California. We did that because, at that time, we were riding so high in the marine business, we had a lot of cash. In 1971, we had also acquired an interest in two production sharing contracts in Indonesia. So we were already in the business of owning some oil field properties and we were not the operator in those. Phillips Petroleum operated on one and . . . my memory is terrible. But anyway, that was a nice thing because we were collecting royalties. We were collecting payments from production on those two. Southeast Sumatra and Northwest Java were the two

designations of the two production and they are still there and are producing. But we had to sell those to get some cash in the downturn, as we did with Hilliard.

In 1997, we acquired Hilliard Oil and Gas and it had all these limited partnerships. I do not know if you remember that. People would buy into various plans for drilling certain wells and so forth. Not with us, but in general a lot of stigma started getting attached to that. There was a lot of concern about proper accounting and all of that kind of business. And then, Toby Hilliard died and he had been managing it. We did not really have a way to continue. And besides that, our extra cash that we were going to use for drilling purposes had disappeared. So, in 1985 or 1986, we sold Hilliard Oil and Gas to Graham Oil Company.

TP: So, it was just sort of the investment sidelight.

JPL: Well, it was, but we had intentions of developing of it quite well. We had 10,000 or 12,000 barrels of production a day. It was designed to be another branch of our activities. It just happened that the downturn changed all of those plans. We had to have cash to survive and we chose the marine business as the one to survive in.

TP: Yes. The Tidewater web page has a good little history of the company.

JPL: Well, good. I do not believe I have ever seen it.

TP: It is good. It has a time line chronology, so it has been very helpful.

JPL: Well, I am sorry I have jumped around some, but when you get to be my age sometimes you forget some steps along the way.

TP: I will shut off the tape right now. Thank you very much.

THE END