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Interview with

JOHN D. FOSQUE

August 2, 1985

Place of Interview: Onancock, Virginia

Interviewer: Dr. Ronald E. Marcello

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Caltex Oral History Project

John D. Fosque

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Dr. Marcello: This is Ron Marcello interviewing John D. (Jack) Fosque for the Caltex Oral History Project. The interview is taking place on August 2, 1985, in Onancock, Virginia. I'm interviewing Mr. Fosque in order to get his reminiscences and recollections concerning his experiences as a longtime employee of Caltex.

Mr. Fosque, to begin this interview, just very briefly give me a biographical sketch of yourself. In other words, tell when you were born, where you were born, your education --things of that nature. Just be very brief and general.

Mr. Fosque: I was born in Hampton, Virginia, on January 26, 1911. I was educated in the public schools, Elizabeth City County, Virginia, and went to the Virginia Military Institute, obtaining a bachelor of science in civil engineering.

Dr. Marcello: When did you graduate from the Virginia Military Institute?

Mr. Fosque: 1932.

Dr. Marcello: In our pre-interview conference, you mentioned that you had some employment and even service experience prior to

actually being employed by Texaco.

Fosque: When I left VMI, I took up a temporary commission and was assigned to the 6th Field Artillery, horse-drawn, at Fort Hoyle, Maryland, which is near Aberdeen Proving Grounds and which I think no longer exists. After that I came to Onancock, where I live currently, and taught school in the high school for a period of three months until I received an offer of employment from Texaco.

Marcello: What were you teaching in the high school?

Fosque: General courses: math, history, and some English.

Marcello: Why did you decide to give up public schoolteaching and go to work in private industry?

Fosque: Well, I had always considered the public schoolteaching as a temporary job, and, furthermore, on the salaries paid in those days to public schoolteachers, I don't think I would've eaten very well very long.

Marcello: Describe the process by which you were employed by Texaco.

Fosque: I received a telegram signed by Albert E. Thayer, the secretary of the corporation,to meet him in New York on a Saturday morning in the Chrysler Building--the head offices of Texaco. On arriving in New York, he took me in to see Mr. Rieber, chairman of the board, who asked me how soon I could leave. That was about the extent of the conversation. I said, "Anytime." I went back to Onancock after discussing the matter further with Mr. Thayer and various people in the

Texaco New York office and was told to come back in two weeks for assignment to Port-Au-Prince, Haiti.

Marcello: Let me ask you this. You mentioned that you received this telegram from Texaco. Where did you make application, or how did you get this whole contact started?

Fosque: How did we get it underway?

Marcello: Yes.

Fosque: My cousin worked for Texaco, and he had mentioned to Mr. Thayer, on his return to the United States from an assignment in Holland, that I had just graduated from college and was looking for a job. That's what got it underway.

Marcello: What you're showing me now is the Western Union telegram that you received relative to your application for employment, and it was dated October 20, 1932. What particular qualifications at that time did you have to work for Texaco? In other words, what was your major at VMI?

Fosque: Civil engineering. As you know, in the oil business from time to time, various major subjects were important in the employment procedure. At that time civil engineers were important. It just happened that way.

Marcello: You mentioned that you were assigned to Port-Au-Prince, Haiti. What were you doing there?

Fosque: Well, it was a training assignment. In those days they didn't have training schools set up for new employees. They assigned you to a small company where you would do

everything, and Port-Au-Prince was such a company. You got to do everything.

Marcello: What kind of things were you doing there? Can you be more specific?

Fosque: There were no bulk tanks there. Supplies of gasoline, kerosene, diesel oil, etc., were shipped from Port Arthur, Texas, or Puerto Rico in packages--forty-five-gallon steel barrels or five-gallon tins. Someone from the office was detailed to go down to the terminal and count them off the ship. I found that one thing about that was you cannot do it. It never comes out right. You have to take them off the ship and stack them and then count them (chuckle). That's the first thing I learned.

Marcello: What were some of your other tasks there at Port-Au-Prince?

Fosque: Trainees were assigned for a period of time usually about 3/4 months to each of the main departments, Administrative, Marketing, Accounting and Operations. This took about a year at the end of which you had an idea of how a marketing company operated.

Marcello: According to the records, your title there was marketing assistant. Is that correct?

Fosque: Marketing assistant was the general catch-all title for everybody in the Marketing Department that wasn't a manager or an assistant manager (chuckle).

Marcello: You evidently didn't remain in Port-Au-Prince too long.

Fosque: One year. I was called back to New York. When I arrived back in New York, I think I reported to Mr. J.V. Murray, who was at that time the head of the Export Department, Marketing Division. In other words, it was still Texaco Export Department. He said, "We're going to send you to India." Well, my reaction to that was, "Where is India?" But I was delighted to go anywhere. I had made up my mind sometime before this, of course--this was right in the middle of the Depression, in 1932--that I would prefer to work abroad where you had a chance of having more responsibility than if you worked for a corporation in this country where promotion would be practically nil for years due to the circumstances.

Marcello: Promotions aside, what benefits were there financially to working abroad?

Fosque: Well, it turned out, of course, that it cost you about the same to live as it did here, but you got more for it. You could belong to clubs and play polo or golf or sail yachts or do whatever, and you got the same amount of money as if you were living here. But you would never have been able to do those things here.

Marcello: Were you ever told why you were being sent to India? In other words, did you have any special qualifications that they thought would be helpful to Texaco in India?

Fosque: Well, only to the extent that in India at that time,

Texaco only sold lubricating oil products, and they needed engineers. They had no Americans except the managing director and the general manager in India at the time. They wanted some representatives of the company there, and they also wanted engineers who at least had seen a diesel engine and knew where you put the oil in.

Marcello: Other than that, did they give you any preparation for what you would experience in India?

Fosque: Yes. I stayed around the New York office and looked at files for three months--three summer months--after I came up from Haiti. But other than that, there was none of this training business and none of the things that go on now where they would've gotten you in with somebody that taught you to speak Hindi or something like that.

Marcello: Okay, so you go out to India in 1933. It's still the Texas Company (India), Limited at that time.

Fosque: The Texas Company (India), Limited. Bob Hoover and I sailed from New York on the SS Statendam of the Holland-American Line. In those days you had to go all the way by sea. We went to Plymouth, England, and then up to London, where we had to wait two weeks for the ship to India. During that two weeks, we visited Oxford and Cambridge and enjoyed ourselves thoroughly. Then we got on the P&O, R.M.S. Viceroy of India for Bombay. That was our first exposure to India. It took about twenty-two days

by sea from Tilbury in England to Bombay.

We then stayed in the Grand Hotel, which was in Ballard Estate, Bombay, where the Texaco offices were and which was the main European business area in Bombay. The hotel was quite comfortable, but it wasn't grand. We went down the first night and had our dinner, and they had ice cream on the menu. Bob said to me, "Do you want to have some ice cream?" So I said to the waiter, "Bring the dessert." We got nuts and raisins and things like that. We did the same thing the next night, and finally we discovered that dessert in India or England was not the same as dessert here. So we said to the waiter, "Where's the ice cream?" "Oh, Sahib, if you want the ice cream, ask for the 'pudding.'" That was our first exposure to the change in language.

Marcello: Maybe that represents a good transition into my next question. What cultural adaptations did you have to make in order to properly carry out your responsibilities and functions here in India during this pre-World War II period?

Fosque: Well, you very soon found that India was a country that had a lot of advantages under the British and a lot of disadvantages. It was disadvantageous to the educated, politically-minded Indian because he didn't get in complete control; it was disadvantageous to the British at that

stage because it was becoming an expense. The old days, when you imported the raw materials and made the cotton cloth in Lancashire and shipped it back to India, had passed. There were many cotton mills in Bombay and Ahmadabad and in India generally, which could process their own raw cotton.

The first thing you had to adapt yourself to was that Americans generally had the idea that they were the best kind of people--honest, above-board, and so forth. It was very much of a shock to discover that nobody else thought that, or least not many other people thought that. And you had to get used to criticism. Well, that didn't take very long to do because you discovered that, of course, the criticism wasn't always justified; but nevertheless it was there, and you were in the country as a guest of the government. So you had to learn to live with it.

You also suddenly discovered that people that you met, your age, who had come to India in recent years--the English, the Danes, the Germans--you discovered that all these people had different ways of approaching the same thing, and you also found that they had a much better cultural education than we had. We had gone to college to take a specific subject--like, I was a civil engineer and I knew engineering very well--but my exposure to the arts had been somewhat less. So I had to proceed to educate myself again in order to be able to keep up with the people I met and people who

became my friends. I learned that the educational system in this country was somewhat lacking. It was good in specialized subjects but lacking in general humanities when it came to associating with people around the world.

Marcello: Were there any other cultural adaptations that you had to make in doing business in India?

Fosque: Well, an example of the type of things you had to get used to was...we were in the business of appointing agents because there were no agents. In India it was very important to be a kerosene agent. Kerosene was a form of money. Even though the man may not make a profit in the kerosene part of his business, as a general merchant it was necessary for his customers to get kerosene at the same place they bought their grain or whatever. As a result of that, there was a lot of competition.

In one initial case that I remember in the Indore area when I was with the Bombay District Office...I had only been there a few years before Caltex had started. There was a man that wanted a kerosene agency for a rather large area, so he proceeded to offer me a bribe. I said, "Well, Mr. So-and-So, we don't do business that way." He said, "Well, I don't understand you Americans because if I came to New York you'd take me out and spend a lot of money on entertaining me and taking me to shows and all." He says, "I don't like to do that. I'd much rather give you the

money and let you do it." So you had to get used to that sort of thing. He didn't consider anything wrong with this. This was a method of doing business. He didn't want to go out at night--take me out and do things like that. He just wanted to give me the money and let me do it.

Marcello: Now these agents that you're talking about, I assume that they were mostly Indian nationals.

Fosque: Oh, yes. We had a few agents who were English, but most of them were Indians. The one I'm speaking of was a prominent Indian businessman in Indore.

Marcello: Now when you get to Bombay, you are again a marketing assistant. Were your duties initially the same here as they had been back in Haiti, or were you more specialized now?

Fosque: They were just about the same as they had been there, except I had more responsibility. When I was in Port-Au-Prince, I was a trainee, and nobody was going to leave me to make any decisions. When I finally got to India, everybody expected me to have been exposed to most of the things that I was going to have to do, and, therefore, I was given an area of the district. I was manager of this little area, which usually had about ten salesmen. It was up to me to recommend to the manager who should be appointed as agents and where we should establish depots and where

should we put in petrol (gasoline) pumps. So while the work was roughly the same, the responsibilities were greater.

Marcello: Just out of curiousity, what criteria did you use in selecting agents--if you didn't use bribes?

Fosque: The criteria that we usually used were just like they were here, which is the financial stability of the individual and his prominence in the area and his general business. If his business was good with the other things he was doing, it would undoubtedly be good for us with him as our agent. Our experience in India was excellent from that point of view. In my time there, I think bad debts amounted to an infinitesimal percentage, far less than 1 percent.

Marcello: I'm assuming that you were moving into the marketing field and that your civil engineering experience wasn't being put to too much use here.

Fosque: I was always in the marketing field. My civil engineering experience, except for the fact that it was a background of math and that sort of thing, was never put to any use.

Marcello: Now you later on became a district manager while still working for Texaco, did you not?

Fosque: Yes. I was district manager...in those days Ceylon, what is now Sri Lanka, came under the Bombay general office of Texaco India, Limited. What is now Pakistan was part of India. So during the course of this period of Texaco

India, Limited, I was manager in Karachi, which was a district consisting of the north, and in Columbo, which was the island of Ceylon or Sri Lanka.

Marcello: Now the kinds of functions and duties that you had there were the same that you described awhile ago?

Fosque: They were exactly the same except for the fact that, again, you moved up in responsibility. Generally speaking, the jobs in the marketing company are the same as you go up the ladder, but your responsibility increases.

Marcello: It seems to me that off the record you were mentioning that Texaco initially was only in the lubricant business when in India.

Fosque: In India, yes. The reason was that they only had to supply the area from Port Arthur, Texas, and about as far as that was economical was the Philippines. Now they had marketing companies in the Philippines, China, South Africa and in Australia that included all products, but India was really too far away to compete in the refined oils unless you had a supply point in the Persian Gulf.

Marcello: How profitable was that lubricant business?

Fosque: It's very difficult to say because we had no crude costs that we could go on, so we never actually knew. We figured it had to make a profit, or else we would have been out of business. But you couldn't actually show on our books that it was profitable.

Marcello: When did Texaco decide to expand into other areas such as kerosene or whatever it might be?

Fosque: Only when Socal discovered oil in Bahrain and later in Saudi Arabia just before World War II. Then it was obvious that they had to have a connection that had a marketing operation in the Persian Gulf supply area,or otherwise they were going to have to go into all these countries at an enormous expense and build up a marketing operation. So they were obviously just like a hand in the glove--those two--and it was at that time that they formed Caltex on the basis of a 50-50 split.

Marcello: And this oil was discovered where?

Fosque: The first discovery was made on Bahrain Island. Then before the Second World War started, at least the 1939 start, Socal had struck oil on the mainland in Saudi Arabia. But as soon as the war in Europe got heated up, they then put it on hold, and we in India were asked to store a lot of equipment. They shipped a lot of things to Karachi like pipe and stuff like that. We kept that until after the war. Bahrain was operated all during the war, but nothing from Saudi Arabia.

Marcello: During that period when you were working for Texaco, that is, the period between 1933 and 1936, how closely was the operation in India being supervised by Texaco's home office in New York?

Fosque: It was supervised as well as it could be supervised by

regular reporting--monthly reporting--mainly from a financial point of view. It was supervised by putting limits on local management on how much they could spend and through periodic visits. Visits were not too frequent because it took over a month to get there.

Marcello: How much independent decision making were you allowed to make?

Fosque: Well, you were allowed to make decisions up to whatever the financial limit was and within the approved budget. I don't recall exactly what the financial limit was now, but, for example, you wouldn't be able to build a terminal costing $1,000,000. But you could build a bulk depot that cost $50,000 or $60,000 without New York approval. What you had to get first was a budget approved with the total amount. Now you could divide that between one bulk depot, theoretically, or ten. But as far as building a refinery, which would cost you $50,000,000 or $60,000,000 even then, you couldn't do that. Many decisions required no authority other than to do this or that. You then wrote to New York, but frequently--very frequently--you had to take some action before you got an answer. So to that extent they had a pretty good financial check on what you did but not a very good administrative check.

Marcello: Awhile ago you took note of the organization of Caltex, when Socal and Texaco decided to form this overseas

subsidiary. What do you know about the formation of Caltex? Now, obviously, you weren't exactly in on the inside of this sort of thing, but what did you hear about why the two came together?

Fosque: Well, the reason that they came together was obvious, which was mutual assistance. One of them had the crude and refining capacity; the other had the marketing and the storage and the know-how. Those two things fit perfectly, and that was obvious to everybody. It also permitted an expansion of the business in countries like India, Pakistan, and Ceylon, where they had only sold lubricating oil up to that time. I think that the decision was so logical that almost everybody...it would just take a matter of two people, and Rieber was a very good one at sensing this kind of an operation and taking advantage of the position. I think he probably initiated the discussions with Socal. It was an obvious advantage to both sides, and anytime there's an advantage to both sides, you're going to get some kind of an agreement (chuckle).

Marcello: Again, off the record you were mentioning the story of the rather informal and off-the-cuff manner in which this union came about. Would you repeat that for the record?

Fosque: It happens that I went on leave from Texaco India, Limited at the end of 1934. When I came back, it was Caltex. While I was in New York, a lot of these things took place,

and while you never know exactly what happens, you get lots of stories, one of which was very interesting, which was that "Cap" Rieber and the then chairman of Socal, who, I think, was McClennahan, although I'm not sure, sat down in the bar of the Ritz in New York with no lawyers and made a deal. The story is that it was written on their cuffs. It was 50-50, and all the assets of the operations in the area would be split down the middle.

Marcello: You mentioned that when you got back to India, it was no longer The Texas Company (India), Limited, but rather it was Caltex India, Limited.

Fosque: When I got back I think the title was still The Texas Company (India),Limited,because I recall we were all involved in replying to a number of cables from the New York office asking us to recommend a name for the company and a trademark for the company. I remember the trademark more than I do the name.

Marcello: How did the trademark come about?

Fosque: Well, the trademark came about by everybody making up drawings and their own ideas. Of course, eventually, it came up with the star like Texaco and Caltex written through the star. It looked more like the old Texaco thing because most of the people involved were Texaco marketing people. However, I don't think that anybody involved concerned themselves much about the fact that it did look like Texaco.

What they were concerned about was to getting the maximum advantage out of whatever marketing advantage Texaco had gained in past years, and there was no use in dropping the trademark advantage if you could help it.

Marcello: So Caltex India then was almost strictly made up of Texaco people?

Fosque. Well, all of the Caltex people in the marketing end of the business, in China, Philippines, India, Australia, everywhere, were all ex-Texaco. The people in Bahrain and Saudi Arabia were all Socal. In other words the Administrative, Marketing, and Accounting operations were all ex-Texaco, and the producing and refining people were all ex-Socal.

Marcello: Describe what happens now. When you come back in 1936, you were made district manager of Caltex (India), Limited, isn't that correct?

Fosque: No, when I came back, I was made assistant district manager, Bombay. Chris Livingston was the district manager in Bombay at that time. He and I divided up the work. I took over the refined oil business, and he tried to keep doing the old...you see, we had a problem. We had to maintain our lubricating oil business, which was going to be very profitable now that it had something to carry the overhead. At the same time, you had to appoint the new refined oil agents and distributors; you had to build bulk depots; you

had to put in service stations; you had to get the sites (and as everybody knows, that's not something easily done because you have to get permits from everybody in sight). I remember well that the workday was from about eight o'clock in the morning until eight o'clock at night day after day, including Saturdays and sometimes Sundays for about a couple of years.

Marcello: Now you mentioned that you were assigned to the refined oil business.

Fosque: Well, I just took over that part.

Marcello: And, again, what were your responsibilities there?

Fosque: Well, I was appointing agents and dealing with the location of service stations and the location of bulk depots. We had to come up with estimates of the sales so that we could build tanks and terminals for the port area. We had to build terminals at Bombay, Madras, Calcutta, Karachi, and then we built one later on at Cochin.

Marcello: And this was all part of your responsibility, the building of these terminals and so on?

Fosque: Just in the Bombay district at that time. I was assigned to the Bombay district. Then after I had been there for about a year, I guess, I was sent to Madras as district manager.

Marcello: Did Texaco have any competitors in India at that time?

Fosque: Yes. Shell had about 70 percent of the market. It was

Burmah-Shell. It was owned by the Burmah Oil Company and Shell as a 50-50 company. We had Standard Vacuum, a subsidiary of Socony (Standard Oil Company of New York). As far as lubricating oil, there were people like Castrol. There were no other companies in the general refined oil business except Burmah-Shell and Standard Vacuum, and they had the whole business until we came in.

Marcello: What can you tell me about the competition among these oil companies in India for the Indian market?

Fosque: Well, the competition was pretty severe because naturally they weren't too happy to see another competitor coming in. On the other hand, they realized that with two companies the size of Socal and Texaco, there was no way to keep us out. Now, of course, if it had been a smaller company, they would've really fought us. The main way to deal with us was to keep us contained as much as possible.

We went ahead, but, actually, what really developed was that before we had reached a reasonable share of the market, say, 10 percent, which would've been considered very good for somebody new in the business, before we got there the war came along, and the government of India then decided to pool all tankage. In other words, everybody's tanks were common user storages. You just ordered your product as you sold it, and it went into the common user storage. You withdrew the product from the common user

storage and sold it just as you normally did.

The competition had sort of stopped at that stage, except we continued to gain more of the market, even through the war, because we were in the position to put in new service stations. Everytime you put in a new service station, your share of the market went up infinitesimally. So by the time the war ended...well, I won't say the war. It wasn't so much that. The pooled tankage thing was canceled by the government some years after the war ended--three or four--because they didn't want to have a sudden influx of competition. The Indian government, like the British and others, don't have the same view of monopolies as we do. They seem to work very successfully, so it must be six of one and half a dozen of another.

But, anyway, by that time we had gained about 10 percent of the market, which as it developed by then, was about what we needed to dispose of our share of the Saudi Arabian production. In other words, Caltex as a whole was responsible for disposing of 60 percent of the production of Saudi Arabia because Socal had 30 percent and Texaco had 30 percent. We in India weren't responsible for all that, but Caltex as a whole was responsible. In addition to that, after Mossadegh, Socal and Texaco ended up with a share of the Iranian production. That was added to the Saudi Arabian production, and for a long time it had priority,

In other words, we had to take care of the Iranian production. Naturally, the Bahrain production got the lowest priority, but, nevertheless, we always could use it because it wasn't very large.

Marcello: What special problems developed in establishing a marketing organization in India? Now you've talked about dealing with the British government there and the permits and so on and so forth. Can you elaborate on that?

Fosque: In order to establish the marketing company, we were only required to obtain a license to operate, as any other company would, from the government of India. There were no restrictions on that; I mean, we were a reputable, well-known company. Maybe not in the name of Caltex but in the Socal-Texaco regime. The only problem was then that you had to go into the local municipalities--local provinces such as Bombay, Madras, the Punjab and others--and everytime you put in a depot, you had to get permission from health authorities, and from other departments. This is normal operating procedure wherever you do business. In the oil business, you have to get all kinds of permits so that you don't contaminate the water or the soil or so forth. That's not unusual. It was the same there. When you were using the pooled storage, you had to make sure that you provided your share of the storage. Whatever your share of the market was, you had to provide the storage for that share.

The main problems from a point of view of getting going was staff. The way that Caltex approached was that they had people, particularly in China, who were surplus. At that time the Depression was on, and Mr. Murray had gone through China and let a lot of people go. Those people were reemployed and sent to India. They had a basic knowledge of the refined oil business, as we called it. It was that, getting them to help us, that made it a viable factor. If we had had to come in with no knowledge of the country...now only a few of us had a knowledge of the country. I had been there for about four or five years; Bob Hoover had been there four or five years; the managing director had been there a little longer. But most of the others had only had a knowledge of China or the Philippines or Australia or some of these countries. Nevertheless, it was the kind of experience we needed, and putting those together is how we got it done.

Marcello: What kind of help or aid were you getting from Caltex in New York?

Fosque: Well, the main way we were getting help from Caltex in New York was the supply of staff. W.H. Pinckard had been managing director in the Philippines and in China and was sent there to get the new company organized. C.I. Graham was the managing director of Caltex (India), Limited, and he just sort of took a subordinate position, although

he still retained the title of managing director. It was this cadre of people that enabled us to do it as quickly and as efficiently as we did.

Marcello: Something comes to mind here. I believe you mentioned in a telephone conversation that we had that Caltex (India) was the first of the subsidiaries formed.

Fosque: Yes, to the extent of the fact that India was the only company that was able to change from The Texas Company (India), Limited, at the start up of operations of the new company. The other companies such as Caltex (China), Limited, Philippines, Australia, had verious legal difficulties that were in the way of changing the name, so although they were in the supply phase of Caltex, the names remained as they had before, until they could go through the legal technicalities. If I recall correctly, it was a couple of years before they managed to change the name in Australia and China. They were actually selling under the headline of Caltex, but they hadn't been able to change the name and the service station names until they could do it legally. India had not ever been in the refined oil business and was a smaller entity and could immediately adopt the new name and operate under the Caltex banner.

Marcello: You mentioned the business concerning staff awhile ago. At this early stage, and, again, I'm referring to that period between 1936 and the entry into the war, what efforts were

being made to train nationals for managerial positions?

Fosque: It was well-known that India would be given its independence in the near future and we would need Indians to fill managerial position. There was no problem in getting competent Indians. They were just as good and as efficient as any Americans. The only thing about it was that we needed people that could understand how the New York office worked. That was the only advantage that we could come by. We established very early--I can't remember exactly when--an apprentice system, and this system worked in the following manner: we would employ as trainees, young men of good family and education and assign them to one of our district offices, usually near their home and give them a thorough grounding in each of the main departments of the company--Administrative, Marketing, Accounting--operations. It was a very successful project. They also had worked for a while in the New York office, so they understood the New York end of it. But in the early stages, from the old lubricating oil company, all we had were salesmen, and they didn't have the background to enable them to take on the responsibility of a company. So we had to build up a cadre of executives through this apprentice system, which we did. When I left India in 1954, Indians were in at least half of the important positions. But so far there was not, and there never was, a managing director because just about that time they were in a position to

appoint an Indian as managing director, the government nationalized the oil industry.

Marcello: To your knowledge was this a practice that was generally followed throughout the Caltex operations, that is, in bringing nationals into the company?

Fosque: Yes, it was. But it didn't always work as well as it did in India. I subsequently had a lot to do with Africa, and we found there that it was very difficult. Not that the people did not have the knowledge to do the job, but they really didn't have the incentive. As a people they wanted to work for the government. Their idea of the important job in Kenya, Uganda, Ruanda, or wherever was a government job. You would get one of these chaps and train them, and then there would be an opening for a man to go to a university in England or the United States, and he'd just quit the job and go. I went down there several times on this one problem because we could see the handwriting on the wall in Africa, and we wanted to build up an executive staff like we had in India, the Philippines, Hong Kong and China, local nationals that could run the company. I went down to the copper belt, and there was a Canadian down there who was running some of the copper mines. It was in Northern Rhodesia.

Marcello: Zimbabwe?

Fosque: Something like that. Anyway, he said, "Well, we have

carried out extensive tests and have found that the blacks are just as knowledgeable labor as the whites. They do the job just as well. In some ways they do it a lot better because it's harder for them to get that kind of a job. But we find one thing about it, and that is that they don't seem to have the desire to make a career. Their one object is to make enough money to buy enough cows to get a bride, and then retire to their home country. But everywhere else we had considerable success with the apprentice system.

Marcello: By the time World War II started, was Caltex(India)marketing the whole gamut of products?

Fosque: Yes. Well, by 1938 Caltex was in business in a big way. Within a year or two of the formation, which was 1936, they were selling all products, but they were still expanding.

Marcello: There's two other things that stand out during that prewar period, and I'd like to have your comments on these. In 1938 Caltex(Ceylon)was formed. What do know about it, and why was it done?

Fosque: Well, when I went on leave I was district manager, Ceylon, stationed in Colombo,and Ceylon was then a part of Texaco (India), Limited. Once fuel oil became available the plan was for Colombo to be primarily a bunker port. Although I didn't have anything to do with it, I understand that, due to certain legal requirements, it was better to have Ceylon as a separate company than it was to have it as a

branch of India. But it always remained affiliated to some extent with India because we provided them with training facilities, and we sent experts down there because we could afford to have these kinds of people and they couldn't. It was a small company, and they were staffed, generally, from India. For example, Bob Hoover, who had gone to India with me, was managing director in Ceylon for a number of years before being transferred to New York. Phil Sanders, who came from the Philippines, also was managing director for some time. I think that because of the fact that it was to be a big bunker port, the parent companies wanted to be able to isolate it from the fuel oil business in India. I think it was particularly true in the case of Socal, but I don't know that for a fact.

Marcello: Also, during this pre-World War II period, there was a kerosene can manufacturing plant constructed in Karachi. Do you know anything about it?

Fosque: No. There was a 45-gallon drum plant originally in Shanghai. When Shanghai was going to be taken over by the Japanese, they packed up this drum plant for shipment elsewhere. The plant was originally moved to Singapore, and it operated in Singapore for a while, and then it was moved from Singapore to Colombo, I thought, but maybe it was Karachi. The cans weren't so important, but drums were. They needed drums to ship the gasoline over the Hump to China.

Marcello: For the record, how important was kerosene to the standard of living and the way of life of people in India and Pakistan and that area?

Fosque: It was absolutely the most important element. It provided light, cooking facilities, and was a trading unit. Kerosene was without a doubt the most important oil company product in existence at the time, and it was very important to the economy of the individual.

Marcello: During this pre-World War II period, that is, between 1936 and either 1939 or 1941, did Caltex begin the construction of any refineries in India?

Fosque: No. In 1950/1951 the government of India began to put pressure on the oil companies to build refineries in India. The Standard Vacuum Oil Company was the first to conclude an agreement in November, 1951. The Burma-Shell was next in December, 1951, and Caltex was last in March, 1953. Construction commenced on the Caltex refinery located at Visakhapatnam on the east coast of India in 1953, and it was placed on line in 1957.

Marcello: So during this pre-World War II period, then all the gasoline and so on was simply imported into India.

Fosque: Yes. All refined products were imported by tanker from Bahrain. We wished to keep it coming from Bahrain as long as we possibly could, but there came a time when the government of India insisted that the oil companies

establish refineries.

Marcello: World War II comes along. Let's talk first of all about the effects of World War II upon Caltex, and then we'll talk about your participation in World War II. Let's talk about Caltex first of all. What happened to Caltex's facilities and operations as a result of the British and American entry into World War II. You discussed this a little while ago.

Fosque: The government of India decided that it would be in the best interest of all concerned to pool the storage of all bulk petroleum products. The individual companies continued to operate their own bulk storage, and each company continued to draw supplies from their own terminals. The pooling was more an accounting procedure than it was an operating procedure. That was the first step.

The next thing was to establish a method to equalize the cost of freight. So if you got one shipment from Venezuela and one from Bahrain, there would be a method of collecting the extra freight. So a procedure was established to average out freight cost. Each company submitted a periodic report to the government of India giving their freight cost, and you had outside auditors verify your figures. Then on the basis of these figures, the government would allow the companies to include this figure in their price calculations and thereby reimburse themselves for the abnormal freight charges.

Caltex was mainly affected by the fact that staff was even then becoming more difficult to come by. They were also affected because, if the Axis powers could cut us off from the Persian Gulf, we were in trouble. We never were in trouble, but it looked like we would be. Bahrain had some slight bombing, and things like that happened. When the Japanese got in the war, we were bombed in Calcutta. The only thing was that it was not enough to make it any trouble. But by and large, the company was able to operate as normally as you would expect under wartime conditions. There were no particular things in our way that wasn't in everybody else's way.

Marcello: Caltex has no refinery in India, so therefore it's not making aviation gasoline or anything of that nature.

Fosque: Neither did Burmah-Shell or Standard Vacuum. There were only two small refineries in India, one in Assam at Digboi near the boarder with China. Its capacity was about 5,000 barrels-per-day. A smaller refinery at Attock near Rawalpindi in the Punjab--now Pakistan--had a capacity of about 2,500 barrels-a-day. Burmah-Shell had a 100 octane aviation gasoline plant at Abadan, and Caltex had one at Bahrain.

Marcello: In 1942 you went into the Army, is that correct?

Fosque: Right. I was called to active duty by the War Department, as I still had my reserve commission from VMI.

Marcello: During the 1942-1943 period, you were the G-4, Service of Supply.

Fosque: Yes. I was called to active duty and assigned as theater petroleum officer. That was for the whole thing directly under Stilwell, who was commanding general, CBI.

Marcello: We're talking about the China-Burma-India Theater.

Fosque: The China-Burma-India Theater. Then the Service of Supply was formed under General R.A. Wheeler. That was a theory which, I'm sorry to say, has not seemed to develop with the armed services in subsequent years. The Service of Supply was supposed to supply everybody--the Air Force, the Army, the Navy, or anybody else that came along--with their common user supplies, such as gasoline.

After I had done the theater petroleum job for a while, General Wheeler wanted me to be G-4 (S.O.S. in addition). I said that I'd be glad to be G-4, but I didn't know much about it, since I'd left VMI where they'd taught me the rudiments of staff jobs. He said, "Well, you are a businessman and G-4 is the Army's businessman." The rest of the staff officers were West Point graduates, but they didn't know anymore about what a G-4 did under wartime circumstances than I did (chuckle). But, anyway, it all worked out. My responsibility mainly was the line of communications from Calcutta up the Assam Railroad to Dibrugarh and the building of the pipelines from Calcutta and Chittagong up to Dibrugarh and Ledo and the extension of the pipeline from Ledo to Kunming.

But, anyway, then the theater was changed by the chiefs of staff at Quebec into the Southeast Asia Command, and Admiral Lord Louis Mountbatten was sent as supreme Allied commander. He moved his headquarters to Kandy, which is in Ceylon, but I continued to remain in Delhi attached to rear headquarters (SEAC) because Delhi was the only place that had communications with the oil industry both around the world and in India. I continued to do the same thing that I had done before, which was that we had to take the available capacity from imports plus the one refinery in India, which was up at Digboi in Assam--the Assam Oil Company's refinery. It had a 5,000 barrel-a-day capacity. We supplied as much of that as we could over the Hump because it didn't have to be transported to Ledo from Calcutta. But some of it for political reasons had to go to the local people, so we divided it up. We'd have a meeting once a month. As the representative of the supreme Allied commander, I was the chairman of the meeting. But, anyway, we sat down and divided it up between the British Army in Burma, the Americans training the Chinese at Ramgarh, the supplies that the CNAC took over the Hump to Chiang Kai-shek. Everybody had his own little thing in there.

Marcello: That must have been a thankless task because nobody ever got what they thought they deserved.

Fosque: Nobody was happy, even to this day. I ran into a guy down here one day last year who said, "My God, you were the guy

that wouldn't give us any gasoline!" (laughter) We used to get these guys that came in, that were running these cloak-and-dagger operations, and they'd say they'd like some gasoline at such-and-such a place. I'd say, "What are you going to do with it?" They'd say, "It's too secret for you." I said, "Well, it's too secret for you to get any gasoline." We'd stand pat (chuckle).

Marcello: How did you determine priorities?

Fosque: The supreme Allied commander, Admiral Lord Mountbatten, established over-all priorities when it came to something like that. Their priority was nil unless we had some left over from the allocation to the main fighting forces. But usually they got some.

Marcello: Now you mentioned a moment ago that when you were still within the CBI command, you were working under General Joseph Stilwell.

Fosque: Indirectly. I was working under General R.A. Wheeler, and he moved to be deputy supreme Allied commander under Mountbatten. So I was still under him with Mountbatten.

Marcello: Describe what it was like working with, around, or through General Stilwell.

Fosque: Very difficult, if not impossible. My experience with General Stilwell was not very good. It was primarily because of the things that I had to deal with. He had little or no knowledge of and wasn't about to learn. I don't like

to go into the details. General Stilwell was a good American soldier, but he wasn't a very good administrator. My main occupation was trying to get some tonnage from A to B, and it was very difficult, if not impossible, to do it under his system.

Marcello: And what kind of a system did he have set up?

Fosque: Well, he had commanding offices at Kunming, at Ramgarh in Bihar, India, and at Delhi. Each one of them was under the direct supervision of an assistant, who had authority to issue orders in the name of General Stilwell--by the command of General Stilwell--and this did not lend to an ease of operation.

Marcello: Like we were discussing during lunch, I think Stilwell would have been much better as a small unit commander or, to use your words, as a brigade commander out in the field someplace.

Fosque: Yes, I think so.

Marcello: On the other hand, what was it like working under Lord Mountbatten?

Fosque: I found working under Mountbatten very easy because he left the experts in their line or field to do under the general plan what they had to do. He never got involved in the details. It's much easier to deal with somebody like that who lets you do what you know you can do. The whole problem, really, in the Southeast Asia Command was that it did not have a priority from the chiefs of staff;

I mean, it was a holding operation, and, therefore, you were short of everything. Petroleum products wasn't one of those because they were just short of troops, and they were short of landing craft and short of that which used petroleum, so we had no real problem. Presumably, they would have gotten a higher priority once the European war was over. Fortunately, the war in the Far East ended very soon after the war in Europe.

Marcello: The distances in that CBI Theater were just tremendous, too, were they not?

Fosque: Oh, terrific, I'll tell you! I mean, you just think of the fact that...what was it? About 3,000 miles from Delhi up to the end of the Assam province? I remember I went up there one time with Jack Taylor, who was the petroleum officer of the Defense Department, Government of India. He had been the senior executive in Burmah-Shell before. One of the advantages of the operation there was that all of us dealing with petroleum products had dealt with it in India as civilians, so we were all on a first name basis. It's not like they think here, that if you know somebody you must be crooked. There, they figured if you knew somebody, you might get something done (chuckle).

Anyway, we made it work. I got a letter from General Wheeler when I left to go back to Caltex, saying that one thing he'd like to say was that they had never run out of

gasoline for an operation in that theater. So we thought that was pretty good.

Marcello: As a personal note here, I'd like you to speak a little bit about your marriage during this period. It's an interesting part of the record. Describe how this all came about.

Fosque: (Chuckle) Well, I don't know that this is going to be of interest to Caltex or not (laughter).

Marcello: Well, that's too bad (chuckle).

Fosque: My wife and I had known each other before I got into the Army in Delhi. She was there in the British Army in the intelligence section because she's good at languages. We had planned, before I got called to active duty, to get married. When I got called to active duty, I didn't change these plans. As a matter of fact, I didn't think anything about it. I didn't think it was anybody's, let alone General Stilwell's, business whether I got married or not. Anyway, I made an application through channels, and it came back "refused" through channels.

As it happened Lord Mountbatten had the habit of inviting members of his staff to lunch or dinner or some meal every now and then to get to know them, and it happened about that time he invited me to lunch. After discussing various things of mutual interest, mostly surrounding Stonewall Jackson and his operations in the Valley of

Virginia, he asked me about my family. I said that I hadn't got a family, that I was trying to get married, but I was running into some obstacles from the commanding generals and explained to him that General Stilwell had turned down my application to get married.

He asked me who I wanted to marry, and I said, "Well, as a matter of fact, it's somebody in your army, and she actually outranks me." So he said, "What's that?" So I said, "Well, apparently, Americans in the service are not supposed to get married abroad, which may be a good thing for the Army in general, but it's a hell of a nuisance, as far as I'm concerned." So he laughed, and then he proceeded to needle some of the Americans on his general staff.

Not too long after that the approval came through, so I have him to thank. Naturally, I'm more inclined to think he was a good guy than I am General Stilwell (chuckle).

Marcello: The war is over in 1945. You resume your association with Caltex.

Fosque: As the war began to grind down and the war in Europe was over, and since you could see that the war in Japan, even before the atomic bomb, wasn't going to last too long, I then decided that I had better take some action about getting out of the Army. I arranged for C.I. Graham, Caltex managing director at the time, to write a letter to General R.A. Wheeler,

who by then was commanding general of U.S. troops in the S.E.A.C. Theater. The letter explained why Caltex needed my services as soon as it could be arranged. The letter was referred to Washington with a recommendation that I be released from the Army.

Finally, one day approval came through from Washington that I be released from the service. So now the question was, where did I get released? I had joined the Army in India. In fact, I hadn't joined; they joined me. General Wheeler had been transferred to Washington as chief of engineers. He was flying back and had a private plane assigned to him and said he would be glad to take Helen and I in the plane with him. Well, we had visions, since she was in the British Army and I was in the American Army, that she'd probably get repatriated to England, and I'd get repatriated to the United States. With transportation the way it was, it would be many a long day before we got together again.

So in those days, you had to get a visa from a consul, and there was nobody in Delhi. There was no ambassador or anybody like that. There was a high commissioner, but there was no consular office.

She had to to to a port city. So I put her on the train to go to Bombay. In the middle of the night, I got a telephone call from her, saying that the train had gotten as far as Udaipur on the way to Bombay, and the conductor

had just told her that it wasn't going to go any farther because the monsoon rains had flooded the tracks to Bombay. I said, "Well, come on back to Delhi. We'll get you down to Karachi." After some discussion she waited around in the railway station. The stationmaster was as drunk as he could be. Then some British troops came in, and she managed to exert her rank and got them to help her onto her train because people don't open cars on a train in the middle of India at night if they can help it (chuckle).

They got her on the train, and in the meantime, I had discussed this with General Wheeler. He said, "Well, I'm sending a plane down to Karachi to pick up my relief, General So-and-So, and she can go down with them." So I called up Caltex Karachi--I hadn't lost touch with them--and said, "I'm sending Helen down to get a visa. Will you meet her at the plane and see that she gets to the consulate?" The guy who was the terminal superintendent down there at the time met the plane.

In the meantime, she got back to Delhi. I met the train. I said, "Well, come on home. Get washed up. You've got to go out to the airport. There's a plane leaving for Karachi to get your visa." So we got her on that, and she got down there. They picked her off the plane, took her to the consulate, woke the consul up in the middle of the night, got him around to his office, and made him

stamp the passport (laughter).

We flew back to Washington, arriving there after forty-eight hours on this plane via Cairo, Casablanca, the Azores, Bermuda, and Washington. That was the end of the war. I had to go down to Fort Hoyle again and get discharged from the service.

Marcello: From there you proceeded on to your next assignment with Caltex in New York as manager of the Aviation Department.

Fosque: After that I took some leave. Then I reported to the New York office. They sent me back to India. In the meantime, the company doctor had given me an examination and said I had a double hernia, that I ought to get it operated on. Helen's father was a surgeon in London, and I said, "Well, since we're going back to India, I'll go to London and get the operation." In those days you had to lay flat on your back for ten days when you had a hernia operation. "From then, while you're seeing your family and all, I'll deal with the hernia." So in the meantime, I began to think I had a hernia, you know, and I couldn't lift anything. It was terrible. We went to London on the RMS Queen Elizabeth, which was unconverted; she was still a troopship. She was bringing troops back to North America and was taking passengers over. They just dumped the baggage down in the middle of one of the main decks. Each deck's baggage was in one place. You had to go and get your own.

Well, I couldn't get mine because I had this hernia (laughter). Helen got it all. In addition to that we had two Smithfield hams and a box of oranges this big (gesture) to take to her family, who were still on food rationing.

To make a long story short, we got to London, there was a strike in Waterloo Station, and we had to get all this baggage to a taxi. We got to her house, and her father said, "We'll go and see the doctor tomorrow." So he and I went the next morning. The doctor gave me an examination. Then he said, "What did you say was wrong with you?" I said, "The company doctor says I've got a hernia." He says, "You haven't got any hernia. You must've had whooping cough when you were young because the ring is slightly enlarged. The worst thing in the world for you would be to get an operation." I said, "Will you give me that in writing?" He said, "Yes, indeed." He gave it to me in writing. I wrote back to Clark, who was then head of the Personnel Department, and said, "Here, this is what you can do with your doctor."

Then lo and behold, I got a cable to return to New York as soon as possible. I said to one of the Caltex people that was in London at the time, "What is this--'as soon as possible under today's circumstances?'" They finally said, "Well, there's a plane leaving from Scotland tomorrow. We can put you on it." I said, "How in the

hell am I going to get to Scotland?" So I didn't. Eventually, they got me on the RMS Queen Elizabeth. I got to New York, and I went to the office, and they said, "Where's Helen?" I said, "Does 'return to New York at the earliest possible time under present travel conditions' mean for me to bring my wife?" (laughter) "No. Well, we want you to do a job. We want you to be manager of the Aviation Department." I said, "I don't like airplanes. I don't like having anything to do with them, and I don't want the job." "Oh, no. You've got to do it." Bernie Johnson was then the manager, and he was still using his Air Force colonel's title. He was going into the business of selling secondhand airplanes. Anyway, I was there for a while.

Marcello: What did this job involve, even though you were only there for a little while?

Fosque: The job only involved going around and trying to sell Caltex servicing at various airports like Dhahran and Bombay and so forth. None of the airlines really knew what they were doing, and we didn't really know what we were doing, and I couldn't find out. There wasn't enough organization going then to know whether you had a tank truck on the field or not. This all came afterwards. Anyway, finally a guy came that wanted the job. He'd flown on an airplane with W.H. Pinckard to Australia, and he wanted to be the head of an aviation department that had airplanes.

We didn't have any airplanes--not one (chuckle)--and he got the shock of his life. Eventually, he dropped out of this.

Then they said, "We want you to go back to India as general manager." I said, "I'll go anywhere to get out of here." So back to India I went, then as general manager. I took over from Lyle Stone, who had been general manager. By that time L.C. Kemp was managing director.

Marcello: From 1947 to 1954 you were back in Caltex(India). You started there as general manager and then eventually became managing director. Now describe what your functions and responsibilities were in this position.

Fosque: Well, the managing director of a company in India has full authority. Legally, he is responsible for all the operations of the company. Under the system of Caltex's operations, which every company is a separate identity to avoid anti-trust implications, he's got full authority for everything. The managing director of any company in India has the ultimate responsibility. He's responsible for whatever the company does, although he's got certain restrictions on what authority he can use, and these restrictions are administrative restrictions rather than legal restrictions.

Marcello: What policies did Caltex develop for India during this seven-year period that you were there?

Fosque: Well, you'd get marketing directives from time to time giving

you the share of the market that they were interested in obtaining in all products. You'd submit a budget every year, and the budget was based on the general assumptions product by product. You would assume that you were going to need a refinery or not as the case may be, another terminal, more bulk depots, more trucks, can factories, or whatever. In other words, you would put together what you proposed to do the next four years--the first year was the most important year--and you'd submit that to New York for approval. The board would then approve that budget, having somebody go over it in New York, and you'd get back a financial limitation on what you could do. To some extent it was not too restrictive because it could change from one general assumption to another. If you weren't going to build a refinery, you could use some of the money that you'd recommended for that to build some more bulk depots or something alternative. But generally speaking, they set the policy, and they approved the financial limits. The rest of it, as far as general administration was concerned, you did yourself.

Marcello: And like you say, from that point Caltex New York more or less let you alone.

Fosque: Yes. Well, there were all kinds of details that you had to deal with from day to day that would require at least their knowing what you were doing. Of course, the board

of directors of Caltex were what approved the budget and things like that, and that consisted of two people from each of the parent companies. That was really where the approval or not rested.

Marcello: India is in a state of turmoil during a great deal of this period.

Fosque: Well, yes and no. There was the agitation for independence, which was becoming more acute. The Indians were expecting this, naturally, but the problem always came back to square one because the British couldn't get the Muslims and the Hindus to agree on a policy, and they were opposed to splitting--partitioning--the country. So the result was that you'd go around and round without coming to any agreement. Eventually, they decided they had to get somebody that was not wedded to India by having been there all their lives as members of the civil service or something like that. That's why they sent Mountbatten, and he came as viceroy. He was the one mainly responsible for deciding that they were never going to agree, so you just had to draw a line.

To the extent of living in India at the time, you didn't run into these problems. There was very little that affected the general business community, Indian or European or American or anybody. It was mostly restricted to things like blowing up a railway station or something

like that, which was never anywhere where you were. I mean, you were just as far away from it there, apparently, as you were here reading about it. Of course, India has always had these problems. It's just like when they have a cyclone, and it drowns a million people--not that many, but a couple of thousand--it happens so frequently that once it's finished, it's forgotten very quickly.

But the political situation began to inject itself on things of a business nature because you didn't know exactly what the policy of the government would be. It developed, of course, that the same people--Indians by this time, who were in the key jobs ran the government, not politically, were the people we had to deal with. People like A.K. Chanda, a member of the Indian civil service, who was secretary of the Production Department, who signed the refinery agreement, had been one of the senior people dealing with you before independence. So the changeover was not as it was in some African countries where you had to deal with people you never ever heard of before.

Marcello: So Caltex operations, then, were not affected very much by the changeover from the British to Indian independence.

Fosque: The main factor that took place was at the time of the partition. When they drew the line between India and Pakistan, it was supposed to be drawn between areas of population whereby those that had a majority of Mohammedans

were on one side, and the majority of Hindus and Sikhs on the other. Of course, this was almost impossible because in most of the small towns and villages in the North Punjab there was almost an equal number of each religious group, and each tried to establish a majority. During the establishment of this boundry between India and Pakistan,over a million people were killed. They did it by rumor. They'd say someone killed a Muslim here or the Muslims would say somebody killed a Sikh or Hindu here, and the trains would come into Delhi with blood running out of the cars.

Well, we had a problem because in the Pakistan area, Caltex had salesmen,distributors and dealers, most of whom--probably all the distributors--were Hindus or Sikhs because they were the businessmen. We had to try and get them back into an area where they wouldn't get their throats cut. So we put on an operation to move our employees that were Hindus and Sikhs out of Pakistan and into India and, vice versa, the Muslims in India to Pakistan. For example, my driver was a Muslim, and so were various other people who worked for me. We didn't lose a single, solitary person--not one. We got them all into the right country. We had one case, which is an example of the kind of things we did, where one of our assistant district managers was a Baluchi. He had been a captain in the Baluchis during the war. His name was Harder. And we had a bulk depot at a place called Multan,

which is just on the edge of the Sind Desert up in Pakistan. We had a Hindu operator, and he was frightened to death, rightfully, because they were about to cut his throat if they could have laid their hands on him. He wouldn't come out of the depot. So we got Harder and said, "Look, how about getting your Baluchi uniform and going into Multan and getting that guy out?" So he said, "Okay, I'll see what I can do." Well, when he got there, of course, the depot operator was scared to death of him, too (laughter), but he eventually talked him out of the depot and got him back to India. We got my driver on an airplane in Delhi and sent him to Karachi. We did various things for others, but we didn't lose anybody. Nobody got their throat cut or anything.

Marcello: Now with the coming to power of the new Indian government, was there any pressure put on Caltex to hire more Indians in positions of responsibility and authority?

Fosque: Nobody ever said a word to me about it. But in the negotiation of the refinery contracts, there was always a lot of talk about training Indians to run the refinery and employing as many as possible, and it was quite a shock to them to discover that a refinery wasn't going to employ very many people under any circumstances. We agreed, as we had done always in the marketing company, that we certainly would train people because it was in our interest to do so. Of

course, it was a country where they had plenty of capable people, and they ran their own refinery. They had a refinery up in Assam and one at Attock. There was no reason why we couldn't get people that could run refineries, but in the initial stages we wanted to start it off with our own people so that we could get it going properly. We had many Indians in senior positions. There wasn't much pressure. I had nobody say to me, "When are you going to put an Indian in that job?"

Marcello: Now is it during this period that Caltex India evolves from strictly a marketing organization into a multipurpose organization?

Fosque: One kind of pressure that was put on us by the Indian government was to refine in India. This pressure commenced in 1950. This was opposed by our parent companies. It took a great deal to convince the parent companies that we either did it, or else we were going to be out in the cold. So eventually we negotiated a contract to build a refinery at Visakhapatnam on the east coast, and it was approved and was built. It wasn't actually completed before I left India in 1954, but very shortly afterwards.

Marcello: Were the Indians now convinced that it didn't employ as many people as they thought it would?

Fosque: They realized it long before this because the other companies' refineries were in operation before we agreed to building.

So they'd been exposed to that.

Marcello: In the meantime is the company looking ahead to the day when its properties or a portion of its properties are going to be nationalized? Was that already being kicked around even during this early period?

Fosque: Well, it's covered in this agreement. In other words, that was the time when many countries were nationalizing, so it couldn't be avoided. It was covered in here somewhere --about compensation. Compensation was paid, yes. Ours is the last one. This is a white paper published by the government.

Marcello: You are, of course, referring to this white paper, which is a text of the agreements with the various oil companies.

Fosque: There were three companies.

Marcello: It's entitled The Establishment of Oil Refineries in India.

Fosque: However, there were already two refineries in India. They had been there for some years, one in Assam and one in the North Punjab.

Marcello: And this document is dated September 30, 1953, or at least that's when it crossed your desk.

Fosque: Well, you can see the dates of the various agreements when they were signed. The first one is the Standard Vacuum Agreement dated November 30, 1951. The second is the Burma-Shell Agreement dated December 15, 1951, and the third and last is the Caltex Agreement dated March 28, 1953.

Marcello: And that was 1951.

Fosque: Yes. And ours was dated last.

Marcello: And that's 1953.

Fosque: Yes. See, all the time they were putting pressure on us to do something about this refinery, which we hadn't done. We talked a lot, but we hadn't done anything.

Marcello: In other words, here again, even the threat of nationalization doesn't necessarily hamper or hinder your operations, assuming that you believe that the Indians will carry out the text of this agreement.

Fosque: Not only that, but it depends upon our best estimate of the period because a refinery pays itself out fairly rapidly. It always has in a country like India because you make a profit. It doesn't pay itself out as well if you lose money. I had the same question with the South African government because Standard Vacuum was the only one that had built a refinery in Durbin, and we were put under pressure to build a refinery, which we did, near Capetown. The question of building the refinery was in the mill for years, and finally, when it came up before the board, they asked me. This happened to be the last time I went to South Africa, and I think it was 1960. I said at that time, "If we have a payout within twenty years, I think we ought to build a refinery because the South Africans are under pressure all around. Maybe the

Arabs will cut off crude or something like that, and we won't be able to hold our share of the market if we don't have a refinery there. While I think that there is going to be serious trouble there, I think they can hold out for twenty years at least, and it's worth the investment, I would say." Again, they didn't build it while I had anything to do, but shortly thereafter it was built. It has been about twenty years, but with the profits they make in South Africa, they paid it out in ten years, I bet.

Marcello: One of the things that took place during this period was that Caltex developed its tanker fleet. It purchased those T-2 tankers and, of course, modernized them and refurbished them and so on. What effect did the establishment of the tanker fleet have upon the operations of Caltex (India)?

Fosque: No direct affect at all because we had always received our supplies by ship, which was arranged by the New York office, and we did not have anything to do with the direct arrangement. But I'm sure it helped the overall Caltex operations because, where somebody else was making the profit out of the operation of the ship, it then came within the house. Of course, Caltex went on from the old T-2 tankers. They had a Dutch tanker company and a British tanker company. Helen launched the Caltex Bristol, which she's got a miniature of over her desk. They had quite an established fleet. Then it was all

grabbed back into the parent company. As far as we knew, from where I sat or had anything to do, we were mainly interested in little jobs like chartering a tanker to take products around the coast of Denmark or something like that. They were going to charge us the going rate--and anybody was going to charge us the going rate--so we didn't gain anything out of who was the owner.

Marcello: I've often heard and read about the ponderous bureaucracy that the Indian government now has. In doing business in that postwar period, were you able to detect an increase in the amount of red tape and bureaucratic procedures necessary to get whatever permits you needed to do business?

Fosque: They're nothing compared to Washington--nothing. It is true that the bureaucracy has a ponderous effect, but you deal with a person. For example, in India you deal with the Ministry of Fuel and Power. In this case it was the secretary, A.K. Chanda. The minister, who was elected, was responsible for policy. He would tell Chanda what he could get through Parliament, in other words, and you only dealt with Chanda.

Now when I had to deal with Washington, there was no end of people I had to deal with. Even within the Defense Department, you had to deal with the Air Force, the Navy, and the Army. Then you discovered that the Department of Interior was in the act somewhere. I mean, they were

experts at bureaucracy, and still are, as far as I know.

But if you're dealing on a lower level in India, when you want to get something like a permit approved or something like that, then there are problems. But usually you have a clerk in the government that's a friend of a clerk in your office, and you deal with it that way.

Marcello: During those immediate postwar years, did the relationship between Caltex New York and Caltex(India) differ from what it had been before the war? Had the relationship evolved in any ways?

Fosque: The relationship between the two companies, I think, remained much the same. They frequently evolved around the personalities of the people in Bombay and New York. It could be that those two individuals may have run against each other, but, generally speaking, that has always happened and probably always will. Generally, the relationship was good.

We had some problems with the fact that certain of the state governments in India as of now would elect communist governments. This just about drove them around the bend in New York. To us it was just one of those things; I mean, we found that the communist government got bogged down just as fast as any other kind of government (laughter), and they couldn't solve the problems any better. It happens that one of those communist goverments was in the area where the Caltex refinery was built, in Visakhapatnam.

M.K. Patel was the key man in the Congress Party in Bombay, but he was also high up in the All-India Congress Party. I went to see him and said, "We've got problems because our board is very upset about the fact that there's a communist government." He said, "Well, we're going to have an election before long. I'll see what we can do." So after the election, the Congress Party had won by about 70 percent of the seats. This satisfied everybody.

Marcello: Now in 1954 you were reassigned to Caltex New York as general manager of the Central East Division.

Fosque: That was India, Pakistan, Ceylon, South Africa, East Africa, the Sudan, Egypt, and the Middle East.

Marcello: Let me start by asking this question. It's a topic that I had at the end of my outline, but maybe this is a good place to put it in. What were your feelings about being transferred from India to New York, promotion and salary aside?

Fosque: My feelings were horror-stricken, to put it bluntly. There was nothing secret about that. I told them when I arrived in New York that there was nothing I would like less than to be assigned to New York. I had gone to work for the Export Department of Texaco because I wanted to work and live abroad. I had attained a responsible and a good position in the company, and I would like to continue in it. I didn't really feel that the New York office, made up of committees

...that was one of the things that amazed me most. Another was the fact that individuals no longer made decisions--it was all committee work. I personally had no desire to be the chairman of the board or anything like that, as long as I didn't have to stay in New York. I told that to everybody that would listen. So it was no secret, but it didn't work (chuckle).

Finally, after I had been there a year, I was still not very happy about this, and Helen said, "Well, either you ought to quit or like it, because I'm getting sick of all this." So I then decided that I'd find out how to live in New York, which I proceeded to do. After that I enjoyed myself, but I still didn't like the working in the New York office very much.

Marcello: Initially, at least, what kind of sacrifices did it entail for you?

Fosque: Well, for one thing, you went from more or less a superior position with full authority to a subordinate job regardless of the title because there were just too many generals in the New York office. Also, in India if you could not make the decisions, you referred them to New York if you had the time, but if not you made the decisions. But in New York you just went from office to office until you could finally light on somebody, and then they'd say that they'd take it up with the board the next time the board met.

Some people like that kind of thing, and as I said at the time, "Look, there are plenty of people around here that thoroughly enjoy this kind of job and don't want to live in some Godforsaken place like India. Here now you've got someone that's willing and glad to do it." (chuckle) But it was no go, so we stayed in New York until 1962.

The the question of the parent companies taking back the European operation came up. Well, it didn't really make any difference particularly to me if they took them back, except for the fact that it was unsettling to everybody. Nobody knew what they were going to be doing the day after tomorrow or next week or anything. I think most everybody came out okay one way or another, but the fact was, they didn't know it.

Marcello: You are, of course, talking about that decision that was made in 1967.

Fosque: Well, it was going on from about 1960. I went to Holland in 1962. However, it had started long before that, but the actual fact was 1967.

Marcello: We'll hold off discussing that until a little bit later in the interview. What were your new functions after you got back to New York in 1954 as general manager?

Fosque: As general manager of the Central East Division, my responsibilities were to coordinate the operations of the companies, so-called independent operating companies, in those areas

with the policies of the overall company and with the board of directors and endeavor to get their budgets approved and to get their projects approved. In other words, I was the spearhead. Instead of the managing director telling them what to do, I was the guy who was trying to get the approval to do what they wanted to do. That's just about what the staff in the New York office had to do. In other words, there wasn't any real responsibility resting with the individuals in Caltex. Almost anything you had to deal with was a board decision because it exceeded everybody's authority.

Marcello: You actually didn't remain in that job but about two years, and then you became general manager of the North Europe Division.

Fosque: Then I became general manager of the North Europe Division. That didn't last at all, as I recall. It was superseded by this new company reorganization, so I became president of the Caltex West Company. But that didn't mean anything because the work I was doing was still the same (laughter). We just divided it up.

Marcello: Are those basically years of tumult and unsettling times?

Fosque: Well, not really. It was unsettling, and it was work that, if you had been in the field in responsible jobs, wasn't very palatable, and that was not because of anything in particular. I think they got the same answer from almost

everybody that came in from the field. One or two were happy to get in, but not many.

Marcello: During the space of about three or four years, you had been in India, you had been in the Central East Division, you had been with the North Europe Division; and then in 1957 there was a general company reorganization, and you became president of Caltex West.

Fosque: Right.

Marcello: What was behind the decision to reorganize the company? Why did it come about and how did it come about?

Fosque: As far as I know, it was a recommendation of McKenzie and Company. They carried out a consultation. Funnily enough, the same thing has been done by Texaco within the last two years. They felt that the company would run better if you divided the responsibilities into operating companies. In other words, the whole of the Europe west of Suez would be an operating company. But by the time that Caltex got through with it, it wasn't an operating company. It was just one of the old divisions. Lots of titles, but no authority anymore. You had the same authority as always. In other words, you dealt with the others on routine matters, and you dealt with the board of directors or the top Caltex management, the chairman of the board and the president, on everything else. So it really wasn't any different. But I think McKenzie and Company's project probably had a basically

good idea because it divided the areas into workable divisions. The tanker company became one division, and then there was a service company.

Marcello: After you came back to New York, you would probably have been in a better position to see how the policies and the thinking of the parent companies, that is, Socal and Texaco, were influencing or affecting the policies of Caltex. What did you detect during this period?

Fosque: Well, it appeared to me, of course, that each of the parent companies had their own policies, and they conflicted because they were in competition.

Marcello: In other words, that marriage that had seemed so convenient back in 1936 didn't look so convenient any longer.

Fosque: No, and they both were competing with each other, and the advantages were disappearing.

Marcello: So you could see this kind of thing occurring perhaps even as long as ten years before they went their separate ways so far as marketing operations in general were concerned.

Fosque: In the early days, the Caltex operations were small to the parents, so they didn't take much interest in them. That was one thing. But as Caltex became larger it became more important, and they involved themselves more directly in the operations.

Marcello: And this is basically, then, the way it affected Caltex.

Fosque: Right.

Marcello: For better or for worse? Which?

Fosque: I seem to think for worse.

Marcello: Can you elaborate on that?

Fosque: Well, I think it's very difficult for a company of any kind to operate unless there's a clear directive from the top supported by the top. In this case we had a conflict of interest between shareholders, and it would naturally fall down on everybody.

Marcello: During that period between 1952 and, let's say, 1956...and, again, that covers a great deal of time when you were with Caltex. This was a period of what appears to me to be rapid refinery expansion.

Fosque: Right, because various countries at that time began to put pressure on the oil companies to build refineries in their country. Now they had several reasons, and some of them were correct. For example, in South Africa they had an idea that when somebody began to put the screws on them because of the apartheid problem and wouldn't ship them crude, they wanted to be able to get it from somewhere else. They would be more constricted if they only had the refining done somewhere like in the Persian Gulf. In other countries it was a matter of the fact that they just wanted to have more of the petroleum process that they could control. In other words, they didn't in fact do anything to control it, but they felt that if they were at war. For example, if India

and Pakistan went to war, they didn't want to see both sides being supplied from Bahrain. They wanted to at least have a refinery.

Marcello: The emergence of the Third World countries must have created all kinds of headaches for Caltex.

Fosque: Well, Caltex had always operated in Third World countries. From an operating point of view, that was their business. A man came to see me in Bombay one time, and he had some money. He had been listening to the Commerce Department saying, "You ought to invest in the Third World countries and build a plant there instead of shipping things to them." He was in the shoe business in, I think, North Carolina. He said, "Look here, you all are just going to build a refinery over here and put in $65,000,000 in buildings in Visakhapatnam. What do you think about this?" I said, "Look, we are in the business in Southeast Asia. We've always been in Southeast Asia in one form or another. So when the time comes to build a refinery, the question is, do we build it in Burma? Or do we build it in Singapore? Or do we build it in Ceylon or India? From that point of view, India looks pretty good. Now from your shoe point of view, you don't have any commitment to India or to Malaya or anywhere. If I were you, I'd put my money in the bank and build something in North Carolina, where you understand the situation. You don't understand anything about this

situation. We don't have any real knowledge about doing business in the United States, but we do have a knowledge of doing business here."

Marcello: Okay, let's talk in more detail about your responsibilities as president of Caltex West. Again, what exactly were your responsibilities here? This was after the reorganization took place in 1957.

Fosque: Well, my responsibilities hadn't changed very much. The only thing that happened was that it was consolidated into one area, which was Europe and Africa. My responsibilities were still the same, which was to get the information in from the field, process it, put it into a form that the board could understand, and see if I couldn't get it approved. Maybe I had first gone there to find out if I thought it was a good idea, but by and large it was a matter of "carrying the mail." This is a head office job. It always would be, and I don't suppose there's any way you can change it. I don't really believe you could have these three presidents of divisions absolutely independent and all under one roof. It doesn't make it a palatable way to the individual if he has had experience in operating a company. But your responsibilities, as you say, really don't change. Who you deal with mostly is what changes: how many areas or what area. Now almost anything that would come to me as president of Caltex West was beyond my authority as well as everybody else in

Caltex. It had to go to the board of directors, and the board of directors--the parent company directors--would have to go away and get approval from their boards and so forth. Because the other problems would be covered by the budget, they didn't come up.

Marcello: I almost detect that, at least from your personal standpoint, these jobs aren't as challenging or as exciting to you personally as what you had been doing in India.

Fosque: Correct. I think the most challenging and interesting job in Caltex is to be the managing director of one of the major operating areas such as, India, South Africa, East Africa, and the Philippines.

Marcello: Now it's during your period as president of Caltex West that the company gets into some pipeline expansion and building in Europe, does it not?

Fosque: Yes, the Rotterdam-Rhine Pipeline. Before I went to Europe, they started work on it. It was intended to go originally as far as Venlo, which is in Germany, and when we got approval to build a Frankfurt refinery, we extended it on from Venlo to Frankfurt. It was our main supply route for the Frankfurt refinery, and the Frankfurt refinery was built on the basis of a contract with the Hoechst people to supply them with their petroleum requirements. It went from Pernis, which is the refinery area of Rotterdam, to Venlo, West Germany, the first objective. The partners were Shell, Gelsenberg, Wesseling and Caltex.

Marcello: Well, I think that's probably a part of the record anyhow.

Fosque: Oh, yes, that would be part of the record. Caltex also planned to participate in a pipeline from Marseilles on the Mediterranean to southern Germany. The line was still in the planning stage when I retired in 1967.

Marcello: How did supertanker construction affect the activities of Caltex West?

Fosque: I would say that the coming of the supertanker of 200,000 tons or more helped Caltex West to reduce its transportation costs as we had the use of two ports--Rotterdam on the continent and Milford Haven in the United Kingdom--both of which were equipped to handle the largest tankers.

Marcello: Obviously, the ports that can handle the supertankers, it seems to me, would be one of the terminals for the pipelines and so on, too, would they not?

Fosque: Yes.

Marcello: And, of course, like you mentioned, this one at Pernis was at Rotterdam.

Fosque: Yes. By and large, there was no point in building a pipeline unless you could take care of tankers there.

Marcello: When you'd been in India, of course, you'd been dealing with the Indian government. Discuss the political relationships that developed relative to dealing with the European governments.

Fosque: Well, the European governments, again, are well-organized

to deal with, I guess, all companies, but certainly with oil companies. There's always a minister of fuel and power, and he always has a number one civil servant that you can deal with, and that guy knows what he is talking about. So while you may not get all you want, you do have one ministry and one individaul to talk to about it.

In the case of the Dutch government, they are very statistically minded. One of the Dutchman asked me, "What is the main difference between Americans and Dutch?" I said, "Statistics. You guys believe them. We don't believe them so well." (laughter) Anyway, in Holland they had a ministry of fuel and power, and you dealt with them. When politics got into the act, the minister dealt with the politics, and he could then tell you if it was feasible or not from a political point of view.

The same was true with the Scandinavian governments. Usually, the people that we dealt with in those countries knew the governments very well--both our own and our principal dealers and big agents and distributors. We had some very important people like van Vlisingen in Holland. He was a director of the Heineken brewery and owned a gas company and so forth. He was our fuel oil distributor. He could talk to Queen Wilhelmina on a first-name basis. So we had in most places somebody like that.

Marcello: How about in a country like France? During that period,

there were several shifts in governments.

Fosque: Still the civil servants stayed, and there was always one in the ministry of fuel and power. What the French government did was less palatable usually than some of the others. Nevertheless, you knew where to go for the answer. While you might not like the answer, at least you knew where it came from, and that it was authentic.

Marcello: Was it some time during this period that the French government came in on a 50-50 basis with the Caltex subsidiary in France?

Fosque: Well, this was after I had stopped dealing with France, but I know something about it. Our company was very small, and we had some dealings with the slightly larger French company, which had some government interest.

Marcello: How about the formation of OPEC? What effect did this have upon the operations of Caltex West?

Fosque: Well, it has a basic effect. Before OPEC the international oil busines was controlled by the major oil companies. Now this control was passing into the kinds of the local Middle East governments and through them to OPEC. I feel that as soon as the governments got involved with it, although I have a high regard for Yamani and some of the others, they're directly at the beck and call of their respective governments. This resulted in Middle East politics having more to do with the international oil businees than the

international market place. I would say that the formation of OPEC has changed the rules of the game considerably.

Marcello: Now most of the OPEC business probably took place after you left Caltex.

Fosque: Yes, it did--most of it. I remember that when we dealt with Mossadeq, it was clear-cut. We boycotted him. He couldn't sell his oil anywhere.

Marcello: Can you give me some of the details of that?

Fosque: I don't know many of the details because I had nothing directly to do with it, but I happened to be in India at the time. Of course, some supplies came, and you could see what was happening. They couldn't shut them off completely, but anybody that bought from the Iranians during the time of Mossadeq was in trouble with everybody else and found that they had great difficulty in finding an alternative source of supply.

Marcello: During this period when you were with Caltex West, did you see any changes taking place in the relationship between Caltex and the various subsidiaries? By this time, for instance, you had been on both sides, so to speak. You had been the head of a subsidiary in India, and now you were in the home office.

Fosque: I found this basic difference between the operating companies in Europe and the companies in the Far East. It was probably a matter of communications. The companies in Europe were

much more dependent upon decisions from New York than the companies in the Far East had been to my knowledge. I think that was mainly because, when I was directly involved in the Far East, it took so long to communicate with New York that frequently matters were dealt with before you ever got the answer. For example, try to telephone Bombay now. I suppose it's okay. But in those days you could hardly hear anything because it was a radio connection, and any static interfered with it. That was the main thing I noticed in the difference between the two companies.

Marcello: In 1967 Socal and Texaco decided to reenter the European market as independent entities. Tell me what you know about the reasons behind this decision and how it came about.

Fosque: Well, I think the decision was made long before this. The only thing is that it wasn't announced, and it didn't come to any agreement to actually do it until then because of certain legal technicalities. But I have a feeling that Socal felt maybe that they weren't getting the kind of profits that they had expected out of the European operation. And Texaco felt that they weren't getting what they would've gotten if they had run it themselves. Also, the advantage of disposing of the surplus of Saudi Arabian crude had disappeared by this time. I think that they just both had a personal interest indissolving the operation. I've heard, although I don't know this, that both sides have subsequently

come to the conclusion that probably it was a better arrangement than they had thought--Caltex in Europe. I don't know if that's a fact.

Marcello: How did this affect Caltex?

Fosque: Well, it had a very bad effect, as any kind of a thing like this always does, because individuals were not sure that they would have a job; they didn't know where they were going next week or the week after next. That even trickled down to local nationals as well, so it was an unsettling period.

Marcello: How did it affect you personally, because, after all, you had been president of Caltex West?

Fosque: Well, as a matter of fact, it didn't affect me personally other than the fact that I did take an early retirement under the arrangement. But under the circumstances that the European countries were operating, I felt it would be better if they were run by one of the parent companies. Everybody would be better off. As far as I was concerned, if I could get the kind of job that I liked in the field, I would be fine. If not, I would be glad to accept early retirement, which I did.

Marcello: Did you offer to go back into the field again?

Fosque: Many times. Almost once a month (laughter) from the time I got there.

Marcello: As still as late as 1967?

Fosque: As still as late as that. I was glad to go back to Holland for the remaining period. That was really after the decision to split had been made, although it hadn't been announced. That was back in 1962.

Marcello: Were there any personality clashes involved in this decision to split?

Fosque: I don't know this for a fact, but I feel reasonably certain, judging by some of the problems we ran into at board meetings, there were undoubtedly some personality problems at a high level between the two shareholders.

Marcello: Can you elaborate or be specific about those problems?

Fosque: I can't because I wasn't directly involved in them. You know, you go to a meeting to propose a refinery in South Africa, and you get reactions that don't necessarily seem to make any sense other than the fact it's a personality clash of some kind. You don't even know exactly who the personality is.

Marcello: Now you mentioned that you opted to take early retirement shortly after this decision had been made in 1967. Is there any connection between the two so far as you're personally concerned?

Fosque: I think there's a certain amount of connection in that the company had ended up with too many senior executives, and, therefore, there had to be some give somewhere. In my case it was a semi-voluntary deal. You had four presidents of

divisions in Caltex, so what were you going to do with them when you lose half the operating...in other words, Caltex as it now exists is like Caltex East was during that period. As far as I was personally concerned, I was quite happy to retire under the arrangement they proposed. As I say, if I'd known the cost of living was going to go the way it did, I might have argued a little bit longer for some more money.

Marcello: Do you think that in the long run the split benefitted Caltex in that it was now operating in areas where it operated best, i.e., South Africa, East Africa, Australia, and Asia?

Fosque: Yes, I'm inclined to think that it was much better to operate in these areas. One reason was that these areas are not immediately accessible to as much interference as the European areas were. Therefore, they could continue to operate as they always had.

Marcello: Let me ask you this question. Throughout your tenure with Caltex, was it always getting its crude from Socal and Texaco sources except maybe during the war years?

Fosque: Of course, it wasn't during the war years, but the crude production, as far as Caltex was concerned, was mainly Saudi Arabia, Iran, Indonesia, and small amounts in Australia. So I think a 100 percent of its crude came from its own sources. Now whether they would be considered to be Caltex

sources or Texaco-Socal sources is hard to put your finger on because they took them all back at one stage, and then at one stage they were all Caltex.

Marcello: But the reason I asked you that is that I'm pretty sure that today Caltex doesn't have to use either Texaco or Socal sources. It can buy its oil wherever it wants.

Fosque: Well, I'm sure that that really didn't have anything to do with the split.

Marcello: Yes, that occurred way beyond the split.

Fosque: We many times before that had pointed out that we were able to get crude cheaper than we got it from the parents because they sold at the posted price, whereas other suppliers discounted all over the place. It must be remembered that reason for Caltex's existance was to dispose of the crude owned by the two parent companies. It was all in the same pot.

Marcello: Did the use of computers begin at any time during your tenure at Caltex?

Fosque: Not really. Yes, to the extent that we had these computer readouts on consumption and marketing. In other words, the initial information that computers were used for was to produce refinery runs...you could put various kinds of crude into the Pernis refinery in Holland to arrive at the maximum products for your market. It's much easier with the computers. But to the extent that they're used

now, no. It was a very useful tool as it was.

Marcello: Mr. Fosque, I've heard several people comment at various times about the so-called Caltex family. What is your reaction to that?

Fosque: Well, I'm not very much of a "family man" myself (laughter). I think that there was a certain esprit de corps at one time. It was expressed best by a competitor who said that he felt that Caltex, of all the oil companies, had the best organized foreign operation because all the employees had only worked in foreign operations. It was true that at least 90 percent of the Caltex employees had only worked in foreign operations most of their service. I think to that extent there was a lot of esprit de corps amongst the Caltex people.

Marcello: What efforts did management make to foster this esprit de corps?

Fosque: Officially, none. None except to try and give them good working conditions and make sure they had a place to live. The main thing in foreign operations was a place to live. At one stage in Bombay, you couldn't get an apartment for love or money. The only person that could get it would be the company, and then they'd have to have the lease in their name or else they'd lose it when the employee was transferred. This, of course, was something that Caltex and Texaco and Socal had never done before, which was to own or operate or lease living accommodations except where

there was a refinery or something like that or in an oil field or somewhere where there was no real estate business nearby.

Marcello: Mr. Fosque, that exhausts my list of questions relative to your experience to Caltex. Is there anything that we haven't covered that you would like to talk about?

Fosque: Well, I can't think of anything that we haven't covered, as far as I'm concerned.

Marcello: Well, in that case, then, I want to thank you very much for your time. You've said a lot of interesting and, I think, important things, and I'm pretty sure that these will contribute to the historical record of Caltex.

Fosque: I hope so. Thank you very much.