

**Professor Graham Taylor's Reply to Professor Andrew Watson's Review of  
*Imperial Standard: Imperial Oil, Exxon, and the Canadian Oil Industry from 1880***

The author of a book reviewed in *The Prospectus* has the right to reply to the review of their work. In the interest of fair scholarly debate the reviewer in question has the right to a rebuttal to the author's reply. In the October 2020 issue of *The Prospectus* we published a review of Graham Taylor's *Imperial Standard: Imperial Oil, Exxon, and the Canadian Oil Industry from 1880* by Andrew Watson. Professor Taylor has written a reply to this review. Professor Watson was offered the opportunity to reply to Professor Taylor. He declined to do so. Professor Taylor's reply is presented below.

M. Stephen Salmon  
Book Review Editor  
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I was disappointed by the largely negative review of *Imperial Standard* by Prof. Andrew Watson. I appreciate that readers bring different perspectives to their analyses, and I would hope that my work might encourage other researchers to undertake studies drawing on the Imperial Oil archives in the areas he identifies: the impact of big business on Indigenous people, workers and the environment. But my aim in writing this book was to help provide a framework within which these aspects could be analyzed in greater depth.

My book had two major objectives: to establish a coherent narrative encompassing what he rightly characterizes as "an incredibly complicated and confusing history," and to address the controversial subject of the relationship between multinational corporations and nation states. In the course of exploring that subject, I examine such issues as the transfers of capital and technologies between the US company and its Canadian affiliate, the locus of decision making within this multinational organization, the ability of affiliates of multinationals to limit if not eliminate domestically-owned competitors, and the role played by multinational companies such as Exxon in influencing government policies in both Canada and the US, and between those countries. All these are aspects of the "literature on the subject," and on which I have sought to produce a balanced assessment.

I have not undertaken to provide an apology for the misdeeds of omission or commission of Imperial or its US parent, Exxon, or to overlook or explain away these concerns. Throughout the book, I identify many controversial events in the company's history. When operating in Peru and Colombia, Imperial limited access by local workers to managerial roles, called upon local authorities to suppress strikes, and used both legal and extralegal methods to restrict or delay demands for greater regulation and eventually nationalization by the governments of those countries. In Canada, Imperial, emulating Exxon, used divide and rule tactics to block or

undermine efforts by independent trade unions to organize their workers. Both Imperial and Exxon routinely lobbied behind the scenes with government officials in Ottawa and in the provinces, particularly Alberta, seeking preferential treatment in access to resources for exploitation, restraints on local private competitors and public regulation, and favorable tax treatment. In the early 20<sup>th</sup> century these efforts were much easier to achieve as Imperial executives could make deals directly with Ottawa bureaucrats and provincial politicians -- these were the “good old days” to which I alluded, although my intended irony seems to have been missed. The senior managers of Imperial were almost exclusively drawn from a fairly homogenous group of white men, mostly trained as engineers, many of them from rural and small town backgrounds in western Canada. Until the 1980s, there were few senior managers of French Canadian background and virtually no women or Indigenous people. My book covers all of these things.

I am particularly troubled by his comments on my coverage of the environmental effects of the industry, including global warming. He describes my approach as “ideological” which seems to imply that I am either a climate change denier or an uncritical defender of the industry. I did indeed choose to cover the environmental issues in my penultimate chapter, in large part to highlight what will be the most enduring legacy of Imperial Oil and the industry as a whole. Imperial and other oil companies left huge residues of waste in the wake of their operations in the early years, and only restrained their activities to accommodate public regulatory demands. With regard to climate change, I noted that scientists at both Imperial and Exxon raised the issue of carbon emissions on the climate in the 1970s-80s, but were overruled by executives in both companies for more than two and a half decades in order to protect their heavy investment, particularly in the oil sands.

As I stated at the outset, it is my hope that my effort to present a coherent narrative to the development of Imperial Oil and its convoluted relationship with Exxon, and their combined impact on public policies through much of the 20<sup>th</sup> century, will provide a framework for other researchers to explore issues that Prof. Watson rightly points out deserve attention.

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