

"ON the air" flashed outside the video conference room on the fifteenth floor when McCall and Kalleen arrived. In the elevators on the way, Kalleen had briefed McCall on the results of his London trip. Incredibly, it was not McCall's financial expertise that had gained him the promotion to Vice President. It was the fact that he was dating Beatrice Winter on Lord Debaughton's request combined with the fact that Kalleen, having learned it straight from Beatrice herself on the Washington-to-London flight, had been able to report that Beatrice was already infatuated with him. Lord Debaughton was rewarding fast action on such a delicate matter. If that was not disturbing enough, Kalleen also informed him that he had hired a private investigator, while in London, to look into Beatrice's past.

Most of the management committee was seated when McCall and Kalleen entered. "Right here, John," said Bains, "next to me."

Kalleen shook his head, disgusted as usual at the American idea of what constituted humor. Bains had lured McCall into Parsly's chair. Before another minute passed, the remainder of the committee was seated and Parsly was standing over McCall, a stern expression on his face. A round of laughter erupted when the rookie VP finally looked up, realized he had taken the President's chair, and jumped up out of it. He felt stupid for falling for it and walked from the central location to his seat in the far corner, making a mental note to get back at Bains for that one.

"How much time?" asked Parsly of the technical guys.

"We should have the tone in thirty seconds, sir."

Excepting McCall, all knew they would be live twenty seconds after the tone. They also knew how rapid fire these sessions ran. Every participant was expected to be prepared. This session, from the other side of the world, would be especially expensive and of especially poor quality.

Lord Debaughton was already speaking when the picture snapped to life. ". . . that fifteen-percent ROACE. There's no reason one should expect United States refining margins to improve over the near or even intermediate term. How then can I expect you to hit the target? Fred?"

"Yes, sir," answered Parsly. "We didn't get the first of what you were saying."

"My point is simple. Where's your new Vice President, Fred?"

McCall stood and walked into camera view. "I'm here."

"All right, Fred," Lord Debaughton went on, impatiently. "Shall we ask the new VP? Tell us John. How many Moon Oil USA employees would we have to let go to get to our fifteen-percent ROACE target?"

"In this environment, we couldn't do it if we fired every one of them."

"Exactly. This is why you're the new VP of Finance. Not because you know that answer, but because you're not afraid to say so. Now . . . we will get to fifteen percent. How do we do it?" He paused, removed his glasses, and rubbed his eyes. It was the middle of the night in Kuwait. "Anyone," he said, letting his annoyance show. He returned the glasses to his face. "Tell them, John. No wait, Alex."

Bains bowed into camera view. "Employ less capital, sir." He straightened back to his seat.

"Exactly. Fred. Am I saying you should dispose of unproductive assets, give them away for a song just to reduce the capital on the balance sheet so you can get your return up to a respectable level?"

"No. Of course not, Sir," said Parsly.

"John."

"Yes. I think that is what you're saying," answered McCall.

"Your new VP is correct. Shall I spell it out, Fred? Don't answer. Where's Alex?"

Bains came back into Lord Debaughton's view. "Right here."

"You've all read the Chairman's letter in this year's annual report to shareholders. How would you describe my words in that letter? Alex?" When Bains' answer did not come, he prompted, "In that clever American word, Alex."

"Bullshit, Sir."

"How then will I explain giving away those unproductive assets of which Fred is so fond?"

"Same way, Sir."

"Let's get it done, then, shall we, gentlemen? Your manifest destiny is dead, Fred. Get rid of that West Coast Refinery and pipeline system. Sell off those California

marketing assets. You invested millions in rebranding them, I know. License the brand. Get some income for nothing. The East Coast refinery and the Northeast marketing assets, same fate, Fred. Dump them. Divest, if you prefer. Divide the remaining assets into regions, Midwest, Southeast. Concentrate the marketing assets around the remaining refineries. You can't make enough margin on gasoline, push cigarettes and beer, sell hamburgers at the pumps if you must. Go forward with the downsizing, sooner and deeper than your current plan. Let the regions compete until one figures out how to get to the fifteen percent. Am I being clear? Fred?"

Parsly was angry and embarrassed. He wanted to lash out at the authoritarian chairman. "Perfectly, Sir."

"Good. Now I want to give John my little indoctrination speech in private. I'm certain the rest of you don't want to stay to hear it again."

Inside fifteen seconds, McCall was alone in the room with the otherworldly image of Lord Debauchton staring down at him from the flat screen. He felt like the Scarecrow looking up at the Wizard. He expected questions about Beatrice.

"I'd like to thank you for showing such confidence in me."

"Nonsense, John. It's I who should thank you. We're about to exhaust our satellite time. I'll be here in Kuwait for three or four more weeks. One doesn't do business with the Kuwaitis in a rush. Though we have an understanding, it will require at least three more weeks to conclude the deal and nurture it through their bureaucracy. The list of officials requiring a gift grows every day. We're bringing in Rolexes by the case. As you know, the Kuwaiti ruling al-Sabah family holds a substantial block of Moon Oil stock. We can't blame them. They have to invest their oil revenues somewhere. Now. They've a guaranteed crude supply and good experience in refining. As you also know, they have a strong marketing presence across Europe with their Q8 stations. Since the United States saved their country for them and Americans' attitudes toward them have turned, they think its time to move in a similar manner into the United States. To establish their brand in the US would require they send over two to three hundred people for a great many years. They feel the better way to go in is to purchase a large brand presence and send twenty of their people over to run it. We have such a presence."

"But they demand a fifteen-percent return."

"Correct, but worse than that, they want to see the brand perform at fifteen percent before they purchase. Do you know what I'm asking you to do, John?"

"I afraid I do, you rotten bastard," thought McCall. "I think I do," he said.

"Let Parsly and his management committee think they can save the US operation if they bring the ROACE to fifteen percent. When either region reaches that goal, we take it public. Kuwait will purchase the stock on the open market until they have control. We use the funds obtained from the sale of stock to repurchase the Moon Oil shares presently held by Kuwait. In effect, we'll be trading Moon Oil US for the block of stock held by Kuwait. I know you see the big picture, John, but let me be specific to be sure. The downsizing must be extreme. Cut to a staff level far below that with which anyone is comfortable. We'll have it sold off before it hurts us. Now, to further insure our success we'll inflate profits by increasing our trading activity with Enron. I've arranged for them to offer exceptionally favorable terms to us. They'll hide their losses in some limited partnerships, and I'll straighten up with them later. Kenny Boy owes me.

"I'll be coming over after these talks have concluded. We can discuss your future with the company at that time. If we're successful, I assure you it will be an extremely lucrative future indeed. In the meanwhile, it's policy to issue stock options to our new VPs. Ten thousand long-term options is typical. In your case, the long term is unimportant. I've instructed treasury to issue one hundred thousand short-term options. They expire in one year and give you the right to purchase at ten dollars per share. Conservatively, once the downsizing is announced, they should be worth \$10 million. You now have the incentive, so let's get it done, shall we?"

He paused, pleased he had said everything in time. "You thought we British leaned on formality, John, you should try doing business with the Emir of Kuwait. He's built a pampered society and the most stable in the gulf. The bureaucracy is so cumbersome red tape can take years. Wielding my family's power along with that of Moon Oil, I should hope to compress that to less than one month. Am I re . . ." The screen went blank. The time was exhausted.

McCall was in a state near shock. He had hoped to use his new position to stop the downsizing. When he opened the door and stepped out, he startled at finding Bains waiting in a rolling chair, wearing an expression of concern. "What happened in there?"

With a vacant expression, McCall answered, "I think I just sold my soul to Satan."