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Interview**BYLINE:** Sheff, David**SECTION:** Pg. 51(9) Vol. 54 No. 1 ISSN: 0032-1478**LENGTH:** 7154 words

T. Boone Pickens, dressed in an army-green hunting jacket with fluorescent orange patches, raises a shotgun to his shoulder. A pair of bright-red clay pigeons shoot skyward and Pickens blasts one, exploding it into a million pieces. The preeminent corporate raider and oilman is warming up with guests before they head out for the morning's quail hunt.

After shooting, Pickens, hiking along a stone path at his Texas panhandle ranch, is literally walking on his next fortune--that is, if he turns out to be right, as he has so often been in his life. "The hydrocarbon era is ending," the 78-year-old tycoon says. The hottest commodity of the next century? Water. Pickens not only owns the abundant groundwater under him, but he controls the rights to 320,000 acre-feet of it in the area.

Water may be his latest venture, but Pickens's enormous (and growing) fortune comes mostly from energy. In 2005 BP Capital--his private investment firm, which invests billions of dollars in alternative energy, energy-related companies and oil, natural-gas and petroleum product futures--did so well, claims Pickens, that his staff of 25, including 10 traders and analysts, split \$50 million in bonuses. According to Forbes magazine, Pickens's personal worth has reached \$2.7 billion.

Pickens has been a business legend since the 1980s, when he became notorious as a corporate raider. Fortune called him "the most hated man in corporate America" during the period when his former company Mesa Petroleum made hostile takeover bids for Gulf Oil, Phillips Petroleum, Unocal and other companies. His efforts often turned his quarry around and in the process made Pickens rich.

A Republican, Pickens twice explored running for governor of Texas. In the most recent presidential election he gave more than \$5 million to conservative groups, including the one behind the infamous Swift-boat ads against John Kerry. Pickens has recently emerged as a leading philanthropist, ranking fifth in the nation in 2005 in individual generosity, according to The Chronicle of Philanthropy. He made one of the largest individual donations to Hurricane Katrina relief.

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Pickens is from Holdenville, Oklahoma, and his father gambled on oil leases. The family moved to Amarillo, Texas, where Boone was a high school basketball star. In 1951 he graduated from college with a degree in geology and went to work for Phillips Petroleum. In 1956, with \$2,500, he started Mesa.

Thrice divorced, Pickens has five children. In 2005 he married Madeleine Paulson. In November it was reported that Pickens's son Michael, 52, had pleaded guilty to stock fraud and was facing jail time. Though in our interview Pickens agreed to generally discuss his relationships with his children, he declined to comment about the incident.

With gasoline prices hovering around \$3 a gallon and oil passing \$50 a barrel--which Pickens predicted when most analysts said it was improbable--we sent Contributing Editor David Sheff to meet with the tycoon. Sheff reports, "The interview took place in Pickens's Dallas office, on his jet and at Mesa Vista Ranch. He gave a tour of the place, which includes seven miles of lakes and streams he has dug, a pair of mansions (one incorporates a hunting lodge), two gyms and roaming deer, quail, elk, turkeys and antelope. During construction, Pickens didn't like seeing a road from a porch so he diverted it with a \$1 million bridge, yet as we left each room he was preoccupied with turning out the lights.

"A fitness nut--he often travels with a personal trainer--Pickens, though silver haired, looks a decade or two younger than his years and maintains a schedule that would exhaust most teenagers. Throughout the interview he frequently checked a nearby computer monitor flashing with his company's equity and commodities portfolio."

PLAYBOY: Overall, how are you doing this year?

PICKENS: [Checking the computer screen] The equity fund is up 24.23 percent. We have made \$243 million. The commodity fund is up 124.97 percent. That's up \$492 million. Of funds of more than \$500 million we're probably number one in the United States in the hedge-fund business. We've been in business for more than five years, and we're up 687 percent.

PLAYBOY: Do you invest only in energy?

PICKENS: We're 100 percent energy. Our commodities are all oil, gasoline, natural gas and heating oil. The equities are all listed high- and midcap energy companies. Energy is what we know. We're about five feet wide and 50 feet deep.

PLAYBOY: Are you currently bullish on oil?

PICKENS: Uh-huh. We have capped out on the oil supply. Meanwhile the market continues to grow. If the market grows, the price goes up. I'm not an economist, but I can understand that much.

PLAYBOY: But are we capped out? What about untapped reserves?

PICKENS: What untapped reserves? We're currently getting 85 million barrels of oil a day worldwide and using it all. We won't be getting more.

PLAYBOY: Are you saying there are no new sources of oil?

PICKENS: You'll find more oil, but you'll also have declines in older fields. Eighty-five million barrels is about it.

PLAYBOY: Where is the price of oil going?

PICKENS: I don't think we'll ever see \$50-a-barrel oil again.

PLAYBOY: How high will it go?

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PICKENS: I have said we'd see \$80-a-barrel oil before the end of this year. If you take Iranian oil off the market--or Nigerian or Venezuelan or Saudi--anything of that magnitude could send the price to \$100 a barrel.

PLAYBOY: But are you predicting \$100?

PICKENS: At some point. Even without a dramatic event, even with normal growth, at some point our demand will be greater than the supply. We have a lot of oil in storage right now, so we'll pull that out. But 85 million barrels a day is all the world can produce.

PLAYBOY: What happens when we run out of stored oil and the world needs more than is produced?

PICKENS: The price will just get higher and higher until it chokes the demand, which is a good thing. I'm amused when I hear politicians say they want to get the price of gasoline down. No, you want to get it up.

PLAYBOY: Most people, not only politicians, want cheaper, not more expensive, oil.

PICKENS: High prices will get us to stop using so much. Then we will transition to alternative fuels.

PLAYBOY: If oil were to reach \$100 a barrel, how much would a gallon of gas cost at the pump?

PICKENS: At \$60 it was \$2.50. At \$100 gas would be about \$4.50 a gallon.

PLAYBOY: At what point will people use less?

PICKENS: Some people are already using less. I was amused last year when the price first got up to \$3. In USA Today a woman said, "I'm going to start cutting my trips to the grocery store down from five a week to three." I thought, Bully. That's good. You don't want to be wasting. The way you cut out waste is to get the price up so people start to conserve.

PLAYBOY: Won't many Americans be hurt if they have to pay \$4.50 a gallon for gasoline?

PICKENS: When you look around, we still have the cheapest gas in the industrialized world. Cheap gasoline encourages use. If the price gets up, people will carpool. When they do they cut out pollution and they're not so dependent on foreign oil.

PLAYBOY: In his most recent State of the Union address, President Bush said, "America is addicted to oil." Is it realistic to think price will slow our consumption? A large part of the economy runs on oil.

PICKENS: There's no question we're addicted to oil. We're using more than 20 percent of the oil produced every day in the world, and we have less than five percent of the population. We're importing 60 percent of our oil right now.

PLAYBOY: As an oilman, however, don't you want people to use as much oil as possible at the highest price?

PICKENS: I want us to find alternative fuels. I want us to be oil independent. I like the corporate average fuel economy standards. I support all that. I support hybrids.

PLAYBOY: Do oil companies want people driving Priuses?

PICKENS: Maybe not, but there's no question there will be more and more of them. In 2005, 200,000 hybrids were sold in the United States. Who would have predicted that? Hybrids are just one of the things on the way.

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PLAYBOY: What do you think of hybrid cars?

PICKENS: They're fine, but I don't want one.

PLAYBOY: Why not?

PICKENS: I'm just not interested.

PLAYBOY: At our current rate of use, when will we run out of oil?

PICKENS: We're halfway through all the oil in the world. We have produced about a trillion barrels, and there are probably about a trillion barrels to go. We will have lived in the hydrocarbon era, starting in 1900 with the automobile, and oil will be pretty much gone by 2100. Look at what we have done to the atmosphere--the greenhouse gases. Look at the emissions we put out in the first hundred years of the hydrocarbon era. It may be that the ultimate cleanup is just to run out of it. **PLAYBOY:** You sound like an environmentalist, yet most environmentalists would consider you one of the bad guys.

PICKENS: Why am I a bad guy?

PLAYBOY: Even as you're pushing alternatives, carpooling and hybrids, you're invested in oil, and you have been in the oil business most of your life.

PICKENS: I consider myself an environmentalist, but I can still be an oil producer. As dependent as we are on oil, we can't just shut it all down. That doesn't mean I don't practice protecting the environment. At the same time, I don't complain about environmentalists, though they're a bit strong sometimes.

PLAYBOY: How do you respond to the charge that oil companies have been gouging consumers?

PICKENS: I don't stomp for major oil companies, but they don't sit down and try to figure out how to gouge consumers. That isn't their business.

PLAYBOY: Yet pump prices soar and they make record profits--some would say obscene profits.

PICKENS: They make a lot of money, no question about it, but go back and look at all the money they've lost at different times, when oil prices were \$10 a barrel instead of \$60 a barrel.

PLAYBOY: The oil companies pushed to open the Arctic National Wildlife Refuge to drilling. Do you support that?

PICKENS: I'd be real surprised if ANWR produced a million barrels a day, so it doesn't do that much for us.

PLAYBOY: But would you open it?

PICKENS: My problem with that is the people in Alaska should have the right to say what happens to their state. I would let the Alaskan people decide what they want to do.

PLAYBOY: What are the most feasible alternatives to oil? Are you optimistic about liquid hydrogen?

PICKENS: It won't be hydrogen. People have about quit talking about that. We're in the natural-gas fueling business. We're the biggest in the business. Within the next two years the company will probably have a market cap of something like \$1 billion. It's growing about 25, 30 percent a year.

PLAYBOY: What makes natural gas better than gasoline?

PICKENS: On average it's 30 percent cheaper. It's domestic. On key pollutants it burns up to 86 percent cleaner than gasoline. It's cleaner at a time of

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global warming. There are no oil spills with natural gas. You have no underground tanks that could leak.

PLAYBOY: Do you predict a time when we'll drive our cars on liquefied natural gas?

PICKENS: You can now. If I lived in California, I'd be on natural gas in my personal car because you can drive in the carpool lane with just one person in a car when that runs on natural gas. Same with hybrids. I'd do it just for that reason.

PLAYBOY: Are you trying to convince people to convert?

PICKENS: We're starting with things like trash trucks.

PLAYBOY: Why trash trucks?

PICKENS: One regular trash truck has the same emissions as 325 cars, so this is a fabulous use of the fuel. Of the nearly 2,500 buses in the L.A. transit authority, more than 2,100 of them are on natural gas.

PLAYBOY: If it's cheaper, cleaner and domestic, what's preventing it from replacing gasoline for cars?

PICKENS: The infrastructure isn't in place yet, though we have more than 750 refueling stations for public use.

PLAYBOY: Can we currently drive across the country on LNG?

PICKENS: You could. You'd have to know where to fuel. We don't recommend it at this point.

PLAYBOY: For driving mostly in urban centers, does LNG make more sense than an electric car?

PICKENS: Electric is a lot more expensive than gasoline, diesel or natural gas, and the battery life has not been very long. You turn on the windshield wipers and the air conditioner at the same time and lose 20 miles an hour.

PLAYBOY: Is it expensive to convert a car to natural gas?

PICKENS: It's expensive, but you can also buy new vehicles. In the United States, Honda makes a Civic that runs on natural gas. You can also get a wide range of new GM and Ford vehicles converted to natural gas through the dealers. Around the world, almost every major vehicle manufacturer offers natural-gas models.

PLAYBOY: If we come to rely on natural gas, aren't we simply setting ourselves up for another disaster because natural gas is limited too?

PICKENS: Overnight you could have LNG vehicles in people's hands. Oil imports would go down. But yes, though the initial supply is domestic, 20 years from now we would be importing LNG and be dependent again. So what do we do? In the coming years we'll continue to develop alternatives and learn to conserve. We have to. In the meantime, if we develop a second infrastructure, we will be using cheaper and cleaner domestic fuel.

PLAYBOY: From which you would profit handsomely.

PICKENS: The reason I'm into it is I think it's the way to go. I have thought so for a long time. Currently, of all the oil produced daily, about 75 percent goes for transportation. Natural gas can have a big impact on that. About 50 percent of today's power generation in the United States is from coal. That's going to get higher--and it should. Coal can be burned more cheaply, and we have a lot of coal in the United States. About 20 percent of power generation is nuclear, and that should grow too. Twenty percent is natural gas, and that's the most ex-

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pensive power generation you have. It's getting squeezed out of the market, as it should. It will go into transportation fuel.

PLAYBOY: With increased reliance on nuclear power, would you worry about accidents like those at Chernobyl and Three Mile Island?

PICKENS: No one that I know of has been lost in a nuclear accident in the United States. I'm not concerned about it. I think the Chinese have 15 to 20 nuclear plants in development or under construction right now. They're working hard to compensate for what they believe to be a scarcity of energy. I'm not so sure we're working nearly as hard on the problem as the Chinese are.

PLAYBOY: Are you investing in other alternative energies?

PICKENS: We were in wind for about three or four years, but I was never really enthusiastic about it.

PLAYBOY: Are you invested in ethanol?

PICKENS: No. It never seemed realistic to me because it has to be so heavily subsidized. I don't know whether you can raise corn crops and turn them into ethanol without subsidies. Anyway, I'm an oilman. I've been in it for 50 years, and it's hard for me to make a switch.

PLAYBOY: What about biodiesel or solar technologies? Are you investing in any of those businesses?

PICKENS: No, but people will move more and more into those.

PLAYBOY: Would you simply let the market raise prices or would you do something else to encourage people to convert to alternative fuels?

PICKENS: I'm not sure it isn't a good idea to put a tax on gasoline to push the price up and kill the demand.

PLAYBOY: That's the last thing a Republican administration would do.

PICKENS: No, I don't think it's in the cards. But you asked what I would do.

PLAYBOY: But a gasoline tax is regressive, hurting the poorer people.

PICKENS: I just think the price for gasoline should be higher. Demand should be killed and conservation enforced.

PLAYBOY: Is this an issue on which you diverge from the majority of Republicans?

PICKENS: It's not something politicians like to talk about--Republicans or Democrats. You yell "tax" and everybody runs under the table.

PLAYBOY: If we don't cut down on use, do you predict more gas shortages, along with the high prices? Will there once again be lines at gas stations?

PICKENS: I'm not predicting that's going to happen, but the ingredients are all in the mix. The lines before were caused by an unusual shock. We're talking about a gradual transformation now. If there were a worldwide recession in 2007, it would kill the demand for a period of time, but recovery would come, and demand would come with it. I'd rather get everybody prepared before we have a crisis.

PLAYBOY: How do you respond to the charge that oil companies have stopped the innovation that would lead to the creation of alternative fuels?

PICKENS: I think it's true. I don't think the major oil companies want to see a second infrastructure developed for transportation fuel, meaning natural gas competing with gasoline and diesel.

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PLAYBOY: But like you, aren't they heavily invested in natural gas?

PICKENS: The major oil companies probably own 60 percent of the gas reserves in the United States.

PLAYBOY: Then why would they resist?

PICKENS: I've had a hard time understanding that. The current system works, and the oil companies don't want it to change. You're talking about careers built on oil. They don't want a new infrastructure. They're doing fine with the one we have. They have a lot of control now.

PLAYBOY: How powerful are the oil companies when it comes to U.S. foreign policy? How do you respond to people who are convinced we attacked Iraq for its oil?

PICKENS: We didn't go to Iraq for oil. We don't get that much oil out of Iraq. I don't even think it was a factor.

PLAYBOY: But as you point out, we need all the oil we can get.

PICKENS: People can come up with all kinds of theories. I've found that many people know very little about what they're talking about. They're conspiracy types.

PLAYBOY: How is the world market for energy changing?

PICKENS: There's going to be a greater demand. China is very aggressive in the market right now. The Chinese are buying oil reserves around the world. I first thought they were nothing more than tire kickers, but they're much bigger than that.

PLAYBOY: What are the implications of a joint China-Russia energy collaboration that would include pipelines for natural gas and one for oil?

PICKENS: We don't have a state-owned oil company. Seventy-five percent of the oil reserves are now held by state-owned oil companies, and we don't have the reserves for something like that. We're left out because we have produced most of our oil reserves. The Chinese will deal with anybody and everybody to nail down oil. If it's good business for them, they should do it. How will it impact us? We'll see. It probably just means a more competitive market for energy--higher prices and all that. It all means we should do what I'm advocating: conservation and alternative sources of energy.

PLAYBOY: Were you concerned when a company largely owned by the Chinese government tried to buy Unocal?

PICKENS: It was meaningless.

PLAYBOY: Obviously many Americans, including legislators, disagree that it was meaningless.

PICKENS: It was a question for stockholders, not politicians. The stockholders made the investment. If the Chinese were willing to pay more for Unocal than Chevron was, the shareholders should have decided, not some guys in Washington.

PLAYBOY: Many people felt that a Chinese company shouldn't own an American oil company or that a Dubai company shouldn't run America's ports. Do you disagree?

PICKENS: I think it's meaningless. In the case of Unocal, 60 percent of its production is in Asia. It doesn't make any difference, and people are demagoguing in speeches that all this and that is going to happen to us. Nothing is going to happen to us. When China backed out of the Unocal deal, I think the shareholders may not have gotten the best price.

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PLAYBOY: Which is more important: the shareholders' interest or the national interest?

PICKENS: This had nothing to do with the national interest. It's business. These companies are owned by shareholders.

PLAYBOY: Your other major new business is water. Is water the next oil?

PICKENS: I don't see it that way. It's a resource.

PLAYBOY: Then how is it unlike oil?

PICKENS: Oil isn't renewable. Water is. Our project has a life of 200 or 300 years. It will be a \$2 billion to \$2.5 billion project.

PLAYBOY: The plan is to pipe panhandle groundwater--which is under your and your neighbors' ranches--to water-hungry cities such as Dallas. What are the major obstacles?

PICKENS: We just have to find our first customers. It's a project that will happen, but I'm not in any big rush. As with natural gas, the longer you wait without selling it, the more valuable it becomes.

PLAYBOY: At some point, however, are there pressures to cut your losses?

PICKENS: I always say, "Don't rush the monkey and you'll see a better show."

PLAYBOY: Can you understand how some people would resent that you or another individual owns a resource such as water?

PICKENS: If you own the surface, you own the groundwater. That's just the way it is.

PLAYBOY: Within the greater scheme of your businesses, how significant is water?

PICKENS: To date I've got \$80 million in the project. I consider it to be a long-term investment. It's only one of our businesses but an important one. I think it'll do pretty well for us.

PLAYBOY: How would you describe your management style?

PICKENS: I would have been a good coach. Here you get it thrown at you fast. You're in on so many deals, it's like putting an 18-year-old on a battlefield. If he can survive 90 days, he's a veteran. All it takes is somebody shooting at you. Here you eat what you kill. Everybody has to produce.

PLAYBOY: Why would you have made a good coach?

PICKENS: I think I'm inspirational.

PLAYBOY: Would you have made a good politician?

PICKENS: I looked at running for governor in 1990 and 1994. I wasn't cut out for it. I'm not one for consensus in decision making. I operate by committee now, but it's a select committee. I can sit down with people who I know are working in the same direction, but it becomes so political. Then come the demagogues. I don't believe I could handle that.

PLAYBOY: Do you regret not running?

PICKENS: I don't look back and think, Oh gosh, I wish I'd have done that. I look back and think, Thank God I didn't.

PLAYBOY: It didn't stop you from being involved in politics.

PICKENS: No, I do my bit. I'm always interested.

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PLAYBOY: Who do you consider the greatest president of your lifetime?

PICKENS: Ronald Reagan. After Jimmy Carter we didn't have a good opinion of ourselves. Reagan came in and restored that pretty quickly. He made speeches that gave me goose bumps. He played to the entrepreneur in every American. What is it we have going on around the world today? Just exactly what Reagan promoted: democracy, entrepreneurship, free markets. Those are things he stood for, simple values that mean so much to people.

PLAYBOY: Critics cite the enormous debt he left.

PICKENS: The debt he ran up was from winning a war with the Russians. We rebuilt our military. The Russians couldn't stand the pace. We put a heck of a lot of money into the game, but we won and we didn't lose any people.

PLAYBOY: Are you concerned about the administration's domestic spying?

PICKENS: It doesn't bother me. If it helps stop terrorism, I say have at it.

PLAYBOY: How close are you to the Bushes?

PICKENS: I have known them for quite a while. I met the first president Bush, 41, back in the 1950s when he lived in Midland. I'm not a close friend. I'm not in the inner circle, but I'm a friend and supporter.

PLAYBOY: Are you closer to the father or the son?

PICKENS. George W.--I was a big supporter. **PLAYBOY:** In this past election, along with supporting Bush's campaign, you gave millions of dollars to the group that made the controversial Swift-boat ads questioning John Kerry's record as a hero in Vietnam. Why?

PICKENS: John O'Neill, a member of Swift Vets and POWs for Truth, came to see me. He knew Kerry. He served with him in Vietnam. He said, "I know too much. I can't let this man be president."

PLAYBOY: Looking back, do you acknowledge that the Swift-boat ads were misleading and unfair?

PICKENS: All we did was put on his 1971 testimony before the Senate Committee on Foreign Relations. We didn't edit anything. "Here he is. How do you like him?"

PLAYBOY: Many people who served with Kerry said the attacks were unmerited. Even John McCain stuck up for Kerry against those ads.

PICKENS: McCain surprised me. I think they were pals. Kerry let his fellow soldiers down. The POW wives I know are convinced Kerry cost their husbands one more year in the Hanoi Hilton because of his testimony.

PLAYBOY: Whether they support your view or the opposite side's, do you agree with the tactics of political action committees that operate on soft money?

PICKENS: I don't think they ought to have it. But you play the hand you're dealt. George Soros was pouring money in on the other side.

PLAYBOY: Would you support campaign-finance reform?

PICKENS: Yeah, go ahead and shut it down. I don't like it. But for now, just tell me what the game is, throw the ball up in the air, and I can play that game.

PLAYBOY: How do you describe the difference between George W. and his father?

PICKENS: Forty-three makes up his mind and he pulls the trigger. Forty-one had to have everything under study.

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PLAYBOY: It sounds as if you prefer the current Bush.

PICKENS: Yes.

PLAYBOY: Is your relationship with him such that if there's something going on in the country you feel strongly about, you would get him on the phone?

PICKENS: Can I just pick up the phone and call the White House and get him on? "You know, he is taking a nap." "Wake him up and put him on the phone." No. But I could talk to him if he knew I was calling.

PLAYBOY: You have hunted with Vice President Dick Cheney; what was your reaction to his hunting accident?

PICKENS: It could have happened anywhere.

PLAYBOY: Have you ever been in a situation in which an accident like that happened?

PICKENS: I haven't, but I've seen people get some shot in them. It can happen. It's not that far-fetched.

PLAYBOY: A long list of companies have ended up on the wrong side of the law, including Enron, Tyco and WorldCom. In the 1980s you railed against corruption and mismanagement in corporate America. Is it any better now?

PICKENS: There will always be crooks, but most chief executives in corporate America aren't trying to take advantage of anybody.

PLAYBOY: How would you solve the problems in corporate America?

PICKENS: You just need boards of directors that answer to shareholders instead of management. How do directors get on the board? Management picks them, so they're beholden to management. I think that's bad. Still, boards of directors today are a lot more responsive to shareholders than they have been in the past. There are plenty of laws; just carry out the laws we have. If you have the right directors, they'll keep the deal running straight.

PLAYBOY: Were you surprised by the Enron trial verdicts?

PICKENS: I wasn't. But it's important to remember Enron was an exception. Things in general are better at most companies. Most companies are run to maximize the return for shareholders, which is how it should be.

PLAYBOY: You haven't always been popular for pushing shareholders' interests.

PICKENS: I was praised by the shareholders. It was the managers who didn't like me. They called me a raider.

PLAYBOY: You were a raider.

PICKENS: A raider? I changed the value of these companies, which management couldn't do. Take Gulf Oil: When we started buying stock in Gulf Oil, it was \$33. It had been \$33 for 10 years. When we sold our shares back, it was \$80 a share. At \$40 the market cap was \$6 billion. At \$80 it was \$13 billion.

PLAYBOY: With Gulf and other so-called raids, did you actually want to take over and run the companies, or did you make, as some charged, a hit-and-run, a tactic designed to escalate the value of the stock so you could then sell out at a profit?

PICKENS: I just thought Gulf should be managed better, and there was no question in my mind that I could do a better job running the company than the guys who were doing it. I'm capable and qualified. I've been a builder all my life. I really thought I could take over Phillips and Unocal. I was wrong.

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PLAYBOY: At Phillips, for example, what would you have done? One big fear is that corporate raiders will break companies up.

PICKENS: Why is it bad if we break them up? Our motive with Phillips was only to take out the assets that were not core, like real estate in Florida. The management had no business being in that. They had a golf course down there, and they were constantly using the company plane on Friday afternoon to entertain themselves on the company's dime. You get rid of those kinds of things. I never had those kinds of perks at Mesa. When I used the company aircraft for something personal, I paid for it at \$1,500 an hour.

PLAYBOY: Initially, when you went after companies in the 1980s, you were viewed as a David fighting against Goliaths, but soon you were considered a pirate, and you became, as Fortune magazine said, "the most hated man in corporate America." Did a group of companies band together and launch a campaign to discredit you?

PICKENS: There is no question about that. There was a roundtable with 200 of the largest corporations in America represented. You had to be the chief executive or the chief operating officer of a company to get in. They each paid \$50,000 to see the plan. One of the people who attended told me, "They're coming after your ass." After that, you saw stories in the media about my being a raider and greenmailer.

PLAYBOY: Well?

PICKENS: I never greenmailed anybody.

PLAYBOY: You were accused of wanting to destroy these companies, though.

PICKENS: Why would I be stupid enough to put my money in and then destroy the company?

PLAYBOY: Why did you finally stop trying to take over companies?

PICKENS: I couldn't ever win.

PLAYBOY: Do you invest at all in the Internet? Did you participate in the bubble?

PICKENS: It didn't make any sense. Something would come out at \$40 and go to \$100. That's not real and not going to last. I didn't lose anything on it. It's hard for me to see how long anything that doesn't make money is going to stay up in the air.

PLAYBOY: How about now? Overall, are you bullish or bearish on the stock market?

PICKENS: I don't know. Tell me what's going to happen in the Middle East.

PLAYBOY: Do you have any stock picks for us?

PICKENS: Suncor Energy and Canadian Oil Sands Trust, oil sands companies. We're big shareholders in both of them. I like them because I don't have to deal with declining production.

PLAYBOY: Are you concerned about the lavish perks chief executives have at some companies? In your takeover bid for Unocal you went after CEO Fred Hartley for having an exorbitantly priced piano on a corporate jet.

PICKENS: Somehow I wouldn't think playing a piano on an airplane would be a productive way to spend your time when you're supposed to be running a company. It was a waste. It wasn't something easy for him to explain, either.

PLAYBOY: Were you ever tempted by perks like that?

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PICKENS: I always felt temptations were dangerous. I just didn't go where I would be tempted to do anything I shouldn't--and I'm talking about going out, partying, girls, all that.

PLAYBOY: What has tempted you since you have been able to buy anything you want--if not women, jewelry? Cars?

PICKENS: In the past three months I've bought 16,000 more acres out here. The ranch is now 50,000 acres. I realized I would get a lot more pleasure out of that than I would from 100,000 shares of Exxon. The land really needs help. We'll restore it. We won't have any cattle on it. What else? More houses? I have the money if I want them, but what can I do with another house? Neither my wife nor I like to be anywhere for very long, so we go to the Four Seasons. It's three or four nights, you pay the bill and leave. If you buy a place, you have responsibility for it. I don't want that. My life is pretty streamlined. I have all the bird dogs. We're buying some more Labs. Do I spend a lot? Yes, but I don't shop.

PLAYBOY: We won't see you at a mall?

PICKENS: No. I do my clothes a couple of times a year and wrap it up pretty quick. We own a G4.

PLAYBOY: What do you drive?

PICKENS: My wife ragged me on that something terrible. For years I drove an old BMW. I wouldn't spend 15 minutes to go look at some jewelry or a car. My wife was absolutely frantic to get me a new car. She finally got me a new Mercedes.

PLAYBOY: Besides the new car and improving and expanding the ranch, what else do you spend money on?

PICKENS: It's not like I have lots of hobbies. I try to keep in good shape.

PLAYBOY: What's your exercise regimen?

PICKENS: I've got a trainer, and I do weights and the aerobic deal on a treadmill.

PLAYBOY: You have said, "I don't want to grow old and feel bad."

PICKENS: We practice what we preach. Mesa won first place in the nation--the most physically fit company--from the President's Council on Physical Fitness and Sports.

PLAYBOY: You have said you've suffered from depression. Do you still?

PICKENS: No, but in the 1990s I couldn't get anything to work.

PLAYBOY: Was it difficult to admit?

PICKENS: I didn't think my being depressed was something my grandmother and mother would go for. We're not complainers. If you were sick--"I can't go to school today"--the first thing my mother would do was stick a thermometer up your ass. "Do you have a fever? If you do, you can stay home." "No, I'll go." So I wasn't admitting anything was wrong. My lawyer said, "You need to go see somebody." I read in The Wall Street Journal that four things can cause depression. One is the death of a family member. Well, I lost my best friend; he was killed in a car accident. Second is your business not doing well. I admit that. The third one is moving from your home. And I did that. The list may have had divorce, too. I had every one of them.

PLAYBOY: Before your lawyer told you, did you sense something was wrong?

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PICKENS: I knew something was peculiar. I didn't know what it was. I thought it would clear up.

PLAYBOY: What happened when you went to the doctor?

PICKENS: He asked a lot of questions, and I was fitting the pattern. "Do you sleep well?" "No." "And are you tired all the time?" "Yeah." "Do you enjoy being with people?" "No, not really. In fact, I don't want to be with people," which is not my personality. I just think I hit a bad spot and couldn't get out of it--sort of like running into a mud hole, sticking, and you can't get moving.

PLAYBOY: What helped?

PICKENS: I did antidepressants for about 30 days, and everything started clearing up in my life. The things I felt I couldn't change were starting to change. I think one thing that kept it less severe was the fact that I exercised.

PLAYBOY: Did you consider retiring?

PICKENS: A friend was asked if I would retire. He said, "Boone's doing what he wants to." He said, "The way I'd retire would not suit Boone at all. He would be bored to death." I thought, Well, that guy has watched me pretty closely.

PLAYBOY: Why are you still working? You could be off playing golf. You could be shooting quail.

PICKENS: What I'm doing is saving my life. I love to work. I never have a boring day. I don't get so wrapped up in any one project that it just shuts out everything else. I must have ADD. I really think I do. I switch from one thing to another with ease.

PLAYBOY: Do you have any health problems?

PICKENS: I took this physical, and my doctor called and said, "I've got some good news and bad news." He said, "You're going to live to be 114, but you won't be able to hear or see."

PLAYBOY: Would you want to keep going if you couldn't hear or see?

PICKENS: No, probably not.

PLAYBOY: How do you shoot quail with poor vision?

PICKENS: I see double, but I've adjusted. I don't think about it.

PLAYBOY: You married again at the age of 77. Were you reluctant to?

PICKENS: I didn't think I'd ever get married again. If I hadn't met Madeleine, I'm not so sure I would have.

PLAYBOY: Is it true you wrote to your children and admitted that you were not always the best father and you would like to have a better relationship with them?

PICKENS: At Christmas 1999. I saw time escaping and relationships not building. So I thought, Let's see if we can get the ball moving.

PLAYBOY: Do you regret not being a better father?

PICKENS: I think I was a good father. I coached the kids' teams and took them to the slopes and skied with them. But I wasn't perfect. I required a high level of performance and all the other things that were tough on them.

PLAYBOY: How did your children respond to your letter? Are you closer now?

PICKENS: Some responded and hopefully some maybe still will. It's not what you wanted, but you feel as if you did everything you could to make it right and maybe it would have been one big, happy family, and it didn't work out that way.

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PLAYBOY: Will you pass along your wealth to your children?

PICKENS: My estate will basically go to charity.

PLAYBOY: Why won't you give your money to your children?

PICKENS: It doesn't do them any favors. If my kids are going to be rich, they're going to make the money. It won't be because of an inheritance.

PLAYBOY: How do you choose the charities to which you give?

PICKENS: I've got people who work on that. They screen requests. Then I'll say, "Okay, have a meeting." If they jump that hurdle, I'll meet with them. We want to know how much of the money goes to what they say it does. We screen them and follow up.

PLAYBOY: When Ted Turner pledged \$1 billion to the United Nations, he called on the wealthiest Americans to follow his lead and give more money to charity. Did he inspire you to give more?

PICKENS: I know Ted, and I couldn't agree with him more, but I didn't need to be inspired. If I've got it, I'll give it.

PLAYBOY: You gave nearly \$7 million to Hurricane Katrina victims and \$165 million to your alma mater. How do you reconcile those two figures? Didn't Katrina victims need that money more than a college did?

PICKENS: It's what I wanted to do with my money. That's my answer. I thought I made a nice gift to Katrina survivors and a nice gift to my university. I went to school at Oklahoma State. I want it to be competitive. If the athletic program is competitive, it helps the academic programs, too.

PLAYBOY: When you gave the money, The New York Times reported that no cash actually changed hands--you still have the money.

PICKENS: It did change hands. It was wired to Oklahoma State University, and they wired it, plus \$35 million, back to us 24 hours later to put into our hedge fund. We take no fees on that money. That's an important point--we manage the money for them and take no fees. It's all the school's money. There wasn't anything strange about it. George Soros was generous to the school he founded, Central European University, and the funds he gave went right into his Quantum fund. It's not uncommon. There is one big difference: He does take out fees, as far as I know. If I had taken fees, they would have been \$8 million to \$10 million this year.

PLAYBOY: Famous billionaires such as William Randolph Hearst and Howard Hughes became isolated and increasingly eccentric at least partly because their every whim was catered to. Could that happen to you?

PICKENS: I think I'm the opposite. I get around a lot. I'm with people. I'm not isolated, and it's not like everybody's telling me what I want to hear.

PLAYBOY: We assume that paying the electric bill is not a problem, yet you seem obsessed with going around the house and shutting off lights.

PICKENS: I was staying with my grandmother one time, and she said, "Sonny, next month I'm going to give you the electric bill." I didn't know what she was talking about, and I said, "What do you mean?" She said, "Well, apparently you don't care about the cost of electricity, because you leave lights on in the room you leave." It made all the sense in the world. Why waste power? I'm sensitive to that.

PLAYBOY: What does it mean to you that you have made more money in your 70s than you did in the first 69 years of your life? Do you attribute it to your attitude, your physical health, luck or talent?

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PICKENS: Some of all that. I stay on top of things.

PLAYBOY: What do you read?

PICKENS: I don't see as well as I used to, so my reading is not as fast. It takes me longer. But I read The Wall Street Journal and The Dallas Morning News.

PLAYBOY: Do you use the Internet?

PICKENS: Can't do it. I enrolled in a class five years ago, and then something happened and I never even made the first meeting. Fine. I'm very well satisfied with what I do, what my production is. I'm never stressed, and I have a low heart rate. I feel I've been lucky enough to be given all these things, so it'd be a shame if I didn't make use of them.

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