



MISS COREY GITTEN AND HER MOTHER, MISS, DAVID GREEN, OF SHERMAN DAKS, CAUF.

Little women—and big girls, too—know from experience you can trust the Minute Man's housekeeping. You expect the rest rooms to be shining clean—and they <u>are</u>. You expect the gasoline, new Royal 76, to be the West's most powerful premium...and it <u>is</u>. Drive in at the sign of the 76, where you always get The Finest...and the most for your money.

UNION OIL COMPANY OF CALIFORNIA

SEVENTY®

Volume 3, Number 11

November-December 1959

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is a Union Oil Company of Califnia trademark. It also symbolizes the American freedoms won in 1776, which made possible this nation's industrial development and abundance. Our SEVENTY-SIX magazine, published monthly, mirrors industrial freedom through the thoughts, skills, accomplishments and appreciations of Union Oil people. We invite readers to participate with us in an exchange of ideas and information. Address correspondence to The Editors, SEVENTY-SIX, Union Oil Center, Los Angeles 17, California.

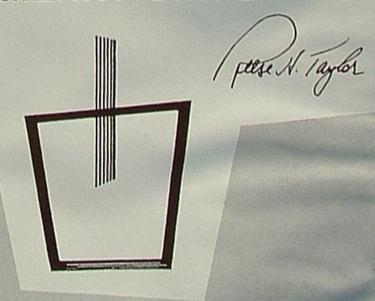
EDITORIAL BOARD

Jerry Luboviski and Earl M. Welty

Season's Greetings

in America is it an official custom to pause at the conclusion of each harvest season in Thanksgiving for our blessings and opportunities. And only in the Free World do people freely observe Christmas - a season of gay decorations, joy, feasting, worship and general goodwill toward our friends and neighbors. Probably the Holidays exert a far deeper impact on our lives than most of us realize. At any rate, Americans and Free people seem to have a greater sympathy and respect for their fellowman—and certainly a greater share of the blessings. So let's safeguard the Holiday Season by enjoying it to the fullest. To all Union Oil people...

A VERY MERRY CHRISTMAS



Six successive wildcat producers
and Union Oil's deepest producing well
have been scored by



BVALLA

U NION OIL COMPANY had nothing to do with naming the Lucky Bwana drilling rig. The floating derrick and its complete accompaniment of oil-seeking tools were named and stenciled at their original assembly by the drilling contractors, Dixie Drilling Company of Louisiana.

But no rig ever bore a more appropriate title – at least from Union Oil's standpoint:

After drilling a very dry hole for another company on its initial try in the Louisiana marshes, the Lucky Bwana contracted in 1955 to make an exploratory test for Union Oil in the dense Atchafalaya swamp. On January 1, 1956 this wildcat well, bucking exploratory odds of about 40 to 1, came in as a dual producer. The resulting Bayou Pigeon Field now has a dozen or so dually completed development wells and is producing over a thousand barrels of oil daily under the state allowable.

Moving next to the Lake Hatch area, where Union hoped to extend the limits of a producing field, the Lucky Bwana drilled to 12,960 feet and came out of the hole with a significant gas discovery. Lake Hatch Field, with nine oil and gas wells, is currently producing about 1,000 barrels of oil and 7,600 MCF of gas daily.

Surely, against the oil industry's terrific wildcatting odds, no rig could score three discoveries in a row. But the Lucky Bwana did — this time during 1956 in the Caillou Island area, 50 miles southwest of New Orleans. The discovery well found excellent producing sands at two levels close to the 12,000-foot mark. Of seven development wells subsequently drilled by the Lucky Bwana in Caillou Island Field, only one was dry. Present



Men need wings to reach remote marshes and swamps where the Lucky Bwana has scored its successes. Above, Union Oil Pilot Gene LeBlanc and Area Drilling Foreman J. S. Buchanan board the Widgeon at Lafayette for 130-mile flight to Timbalier Bay.

indications are that this will be our largest producing field in south Louisiana.

Next the rig that could do nothing wrong for Union tackled a deep-seated ridge extending between prolific Caillou Island and Timbalier Bay domes. At about 15,000 feet the bit struck pay sand and the beginning of another new oil field. Development drilling has not yet defined the field's extent and worth.

Lake Pagie in Terrebonne Parish was the lucky one's fifth wildcatting assignment. Several gas-distillate sands, penetrated down to 12,000 feet, mark this also as a significant discovery.

Now something very remarkable happened. A com-

continued



Even lucky drilling rigs have their troubles; down below the 17,000-foot mark the Bwana faced stuck drill pipe and a \$100,000 fishing job. Foreman J. S. Buchanan and Engineer Joe Prosser examine part of the recovered "fish" worriedly.



But human skill and persistence finished the job. Here on a narrow strip of mud between Timbalier Bay and waves of the Gulf of Mexico is the start of another oil field—Union Oil's deepest drilling effort—fourth deepest producer in the world.

LUCKY BWANA-continued

petitive oil company contracted to have the Lucky Bwana drill a well on its holdings in the Caillou Island area. Dry hole!

How could any rig possibly run its string of Union Oil exploratory hits to six in a row? Well, our Gulf Division people don't let names or odds or superstitions enter into the drilling program. They called for the Lucky Bwana to try at East Timbalier Bay on a remote strip of marsh near the Gulf of Mexico. Here two other companies had already drilled dry holes and abandoned their leases.

Spudding in during January, 1959, the Lucky Bwana's bit spiraled down and down—deeper than Union Oil had ever drilled before—to 17,232 feet. An electric log revealed the accumulation of oil or gas in the bore hole. But just then some 600 feet of drill pipe became stuck in the bottom of the well.

Imagine trying to retrieve 600 feet of steel pipe wedged into hard rock nearly four miles beneath the surface of a muskrat marsh! Oil men call it a *fishing* job. They spent 36 days and nearly \$100,000 trying to hook this one. And failed! Finally their only recourse was to whipstock around or bypass the stuck drill pipe.

The effort paid off. At a total cost of about \$1,000,-000, the Lucky Bwana made its sixth successive wildcat discovery for Union Oil – deepest well ever drilled by the Company – fourth deepest producing well in the world.

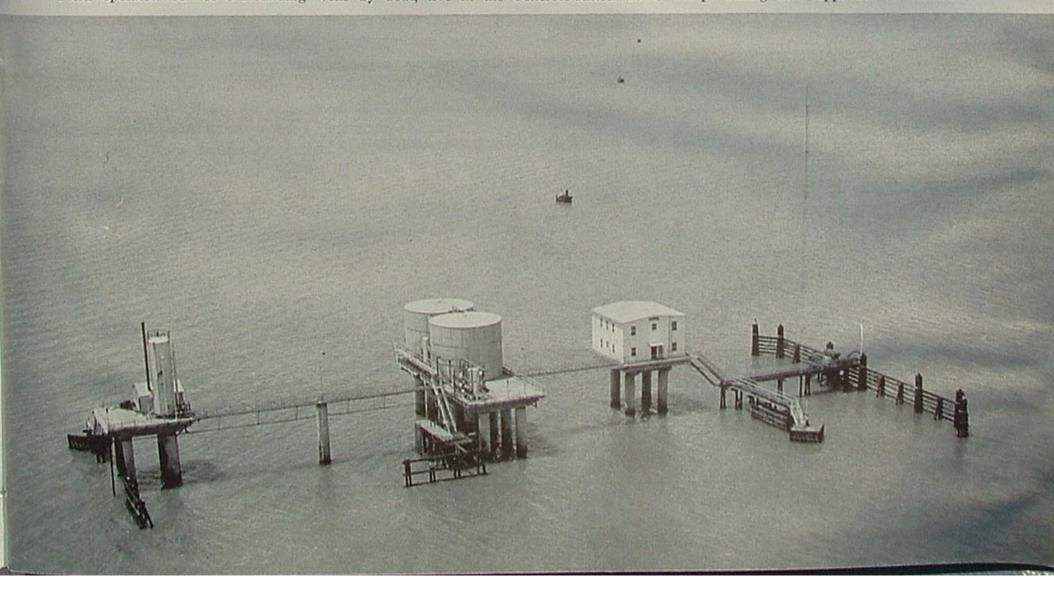
Possibly, as our production and exploration chiefs point out, this story shouldn't be told. At a time when the domestic oil industry is being hard hit by governmental regulation, taxes, oversupply, weak prices, strong competition, etc., it makes oil exploration look too easy. And it doesn't take into account the thousands of dry hole disappointments drilled elsewhere and by other rigs.

But we do feel that the men behind this remarkable drilling success deserve our commendation. For, if you have read our account correctly—between the lines you will realize that such accomplishments are the result of hard human endeavor:

Wise and experienced geophysicists and geologists picked the drilling sites. Hard-working landmen fought for the mineral rights. Division supervisors coaxed the exploratory dollars from top management. Part of your earnings and mine went into the big gambling ventures. Human skills of the highest order drilled and completed the wells. Only the Lucky Bwana was lucky!

/THE END

Production from the Caillou Island and Timbalier Bay fields is piped to this sea-going platform for treating and oil-gas separation. Field operators service surrounding wells by boat, live in the concrete-stilted house except during near approach of hurricanes.



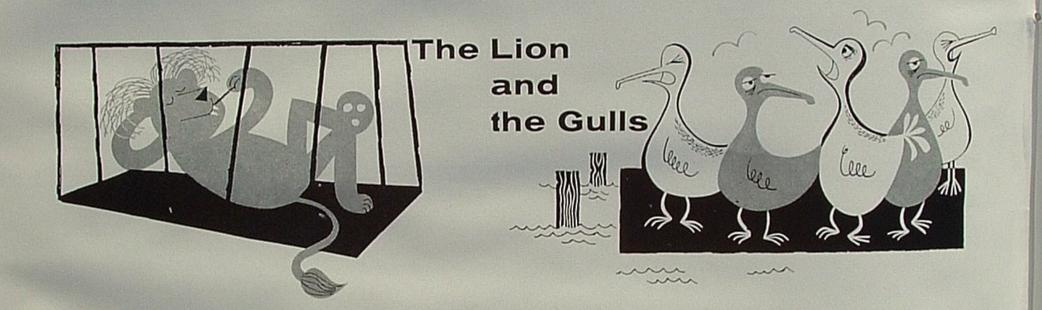
"YOUR COMMENTS INVITED"

(For more than 16 years, Union Oil Company's series of institutional ads has been hammering at such themes as open competition in the market place, free enterprise, fair taxation, wisdom and economy in all phases of Ameri-

can life including government, preservation of the true and tried freedoms that have advanced the people of our country to a position of world leadership, and so on.

The ads hit their mark in the beginning and still continue to gain stature. Every day, scores of responses are received. They come from every state in the Union, even from the most remote foreign countries. Thousands of people from all walks of life are commending the Company for its forthright stand. Hundreds of thoughtful articles and editorials have quoted the ads or discussed them. Nearly all of the invited comments are heartily in agreement with Union Oil's thinking.

Management's mail during 1959 has been particularly heavy with affirmations and pleas to continue the series. The following are interesting examples of public response):



JOHN DELLACROCE, a field underwriter for one of our national insurance companies, recently reminded us of an ad placed in Life Magazine by the Union Oil Company of California. The ad contains a piquant picture of a lion, and the story accompanying the picture is important enough for it to be brought to your attention.

Here's how the ad told the story:

"A California newspaper recently carried a story about a lion that escaped from his cage during a carnival.

"Men showed their heels. Women screamed and shielded their children.

"Now you'd expect an escaped lion to bolt for the tall grass. But this king of beasts had been in captivity too long, he took a quick look at the world and then turned and walked back into his cage.

"Obviously, security was more desirable to the lion than freedom.

"His behavior demonstrates that to be free you must be independent.

"When people over-emphasize security — or dependence — they can't help but lose some of their initiative. You see it in the way people more and more rely on government instead of on themselves. "It would appear that people don't realize that whatever they get from the government must eventually be paid for by them or their children. This type of 'security' may be easy to take at first. But it is habit-forming; after a while, people may prefer this false security to freedom.

"Then, like the lion, they walk back into their cage.

"Absolute security under government is illusionary.

For the only thing that government can give to the people is that which it first takes FROM the people."

We don't know how this point could be more simply and directly stated. And accompanied as it was by a picture of that demure and mousey lion, the ad had a lot of impact.

Effective as was the ad, we wonder if it was effective enough to let you know that the ad-men who prepared it were talking about YOU and not about anybody else at all.

Socialism, which is a harsh way of labeling the social welfare state, is what you have been asking for and getting in large doses from your government. Every time you ask the government to do something for you, and it matters not how trivial or how immense your request is, you weaken your own moral fiber. And in the

end, if you continue to depend upon government to solve your problems for you, you will be just as docile and unmanly as the lion in the story was un-lion-like.

We are reminded of a splendid editorial written some years ago by Jack Gore, editorial writer for the Fort Lauderdale Daily News.

Jack had observed that sea gulls were making a good thing out of the shrimp fishing fleet that had come to anchor somewhere off the bay coast of St. Petersburg, Florida. The fleet had been there for years, dredging up the shrimp. And the refuse from this operation — bits and pieces of shrimp — were always afloat on the Gulf waters just a little way offshore. The gulls, by the hundreds, used to line the piers and fly out to skim the surface of the deep and pick up their food furnished by the energies of the shrimp fishers. Little did anyone realize that these birds, which are as wild and untamable as any thing could be, were themselves becoming socialized.

When the shrimp beds were depleted, the shrimpers moved on to more abundant fishing grounds. When they left, the gulls sat in long mournful rows and squawked piteously. Their "easy living" had been taken from them.

You would have thought that they would quickly have reverted to their former state and immediately gone back to the more arduous life of fishing for their own survival. But they did not. They could not. Having been conditioned to believe that life was simply a matter of gobbling up what others had provided for them, the gulls cried and wailed mournfully. Then, one by one, they began to fall over, dead of starvation.

The day will come, you know, when government handouts will have to cease. When the tax-looters have exhausted the surpluses provided by free enterprise, all these generous handouts via the government will have to be discontinued. And what will you do then? Will you seek to pick up your shattered remnants of independence and freedom? Or like the lion, will you try to return to your cage? Or like the gulls, will you simply squawk and die?

Quoted from Colorado Springs Gazette Telegraph August 30, 1959

Chairman of the Board Union Oil Company

Sir:

Your advertisement "The Insecure Lion" in the August 17, 1959 U. S. News & World Report carries a story that needs to be kept continually before our fellow Americans.

What the government "gives" us must be taken first from us. Which reminds me of the man of India and his favorite dog. Having expressed his fond desire to the dog that he would feed him well, he promptly cuts off the dog's tail and offers it to him to eat.

My own program for material security does not rely on a benevolent government's social "security" and I have often expressed to my children that if I ever receive a government old age pension it will only come from taxes they will be required to pay.

You are to be encouraged to continue ads like "The Insecure Lion."

Sincerely yours,

/s/ Albert E. Klamm Pan American World Airways Bangkok, Thailand

Chairman of the Board Union Oil Company

Dear Sir:

I was very much impressed with your article that appeared in a recent issue of Life Magazine which dealt with taxes and its relationship to the average taxpayer.

Before I go any further, I would like to state that I am a wage earner and a union member. My convictions, however, do not entirely coincide with those of our labor leaders. I was raised in a home where hard work was a guiding virtue in regard to those things we wanted or wished to have. We did not believe in getting something for nothing. I have always believed that anything which I obtained for nothing was usually paid for through indirect channels.

I believe that every working man and woman must be educated or re-educated to a degree of understanding how and why our society functions the way it does. For instance (mainly through the efforts of the labor movement), the average person is led to believe that he is being subjected and suppressed by business and industry and the impression left is that business and industry are his enemy. Also on this same subject, a profit is being looked down upon as a dirty word and anyone who makes a profit is classified as an undesirable person.

I feel that in order to maintain a growing and healthy economy, we must have a proper attitude displayed between business and labor. In this respect, I'm convinced that labor has become too powerful and unless checked, could potentially destroy business including its ability or function to Society of producing more jobs through profits.

I feel that business has played too much of a defensive role in the past and must soon begin to show some real effort and constructive leadership in the "battle for men's minds." The average voter is the KEY man in determining your future and my future and unless he can be made to see what the shortcomings may be . . . we are headed toward a labor controlled Socialistic or possible Communistic State. And along with that will

continued

"YOUR COMMENTS INVITED"-continued

disappear our present way of life and freedom.

In getting back to your article, I feel it should be written at the level of the average working man and woman. It should be written in a simple but revealing nature. I feel your article did just that. More recently I've read similar articles from other industries which were also attempting to "reach" or communicate with the people. You can be sure that the efforts in this direction are being appreciated by many people from all walks of life. I think that business and industry represent the last effective measure or force which can detour or prevent us from slipping further into the hands of labor.

In my own small way, I hope I have done my part as a citizen in trying to preserve our economic system and free Society . . . Thank you for your article!

(Although the name of this writer is being withheld through our editorial discretion it will be revealed on proper written request.)

Wage Hikes

By George E. Sokolsky

It is not often that an industrial company uses its advertising space to sell not its product but its thinking. Every American producer is being forced to consider the danger of foreign competition in the American market. The automobile industry never favored a high tariff for automobiles because it did not need protection. There was no foreign competition in the American automobile market, but that is not true today.

The Union Oil Company of California has been using its advertising space to discuss its economic thinking. The product will take care of itself if the country's economic thinking is right. The advertisement that attracted my attention is entitled "Charlie Perkins — How wage hikes and taxes threaten your job." Charlie Perkins is apparently a real person.

This is the body of the advertisement and whoever wrote it knows his economics:

"Walk into nearly any store today with the idea of buying something.

"You'll see products from abroad right alongside our American-made ones. Nails, woolen and cotton fabrics, dinnerware, sewing machines, cameras, cars, bicycles and watches are some of them. And practically in every case, the imports cost less.

"Foreign manufacturers now compete sharply with our own industries. And they do so without two handicaps every American business faces today.

"One: Wage hikes not based on increased productivity. These result in continually rising prices for U. S. consumers and ever-mounting production costs for our manufacturers.

"Two: Growing taxes. Each year taxes take more of industry's dollars. This, too, is reflected in higher prices to the consumer.

"It makes you wonder. If we price ourselves out of the world markets, what's next? If we don't stay competitive, isn't that the same as pricing you and me and all of us right out of our jobs?"

The issue herewith presented is correct. The contrary argument is: Many manufacturers are mighty eager to sell some of their output in other countries. Are not American-made sewing machines, typewriters, and farm machinery sold abroad?

Both arguments have some merit. However, we face a very frigid fact, namely, that if low-waged, low-taxed, low-priced, subsidized goods come into the United States to compete with high-waged, highly taxed, high-priced goods made with less efficiency than is possible because of labor union rules, we face the danger of a kind of competition which can throw 10,000,000 to 15,000,000 Americans out of work. That raises very serious social problems.

It used to be sound economics to say that if an American-made product could not compete with a similar product made elsewhere, it was the fault of the American manufacturer. He lacked efficiency. He lacked sound financial principles.

However, that is not true today. The United States, by a generosity unknown in the history of many, has rebuilt and rehabilitated industries throughout the world and created new ones with the result that American industry, which pays high taxes to aid its competitors, finds the subsidized competition tough going.

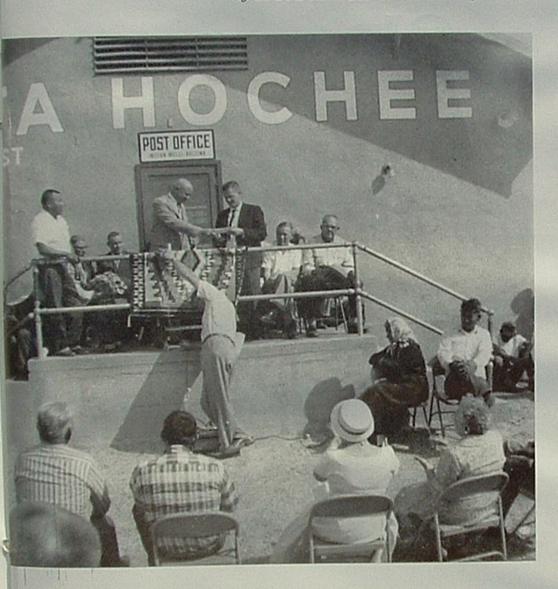
Secondly, American labor unions, fighting automation, have instituted various feather-bedding arrangements to slow up production. These arrangements increase inefficiencies, raise the cost of production of American goods.

The dilemma that the United States faces is this: In order to maintain our standard of life which is based on the social assumption that this nation will not have a proletariat, we must have full employment at good wages. The other side of the dilemma is that we cannot compete even in our own market with goods identically made by machinery tended by laborers who receive less pay, work longer hours and use fewer feather-bedding devices.

This problem will not be solved by demagogic speeches in or out of Congress. It requires profound study of the entire economic structure of this country. The proof of the peril is that the old free-trade unions in the textile and garment industries have suddenly become conscious of the danger to their industries by the flood of as good but cheaper goods from Europe and Asia.

Courage at Indian Wells

by O. D. Dorsett and C. V. Swanson, Phoenix



A Mong the Navajo Indians of Arizona a few ancient superstitions have been handed down intact even to the present generation. One of these is that the body of a person killed by lightning is not to be touched for at least three days. To defy the superstition is to invoke the wrath of the Navajo gods.

In July, 1959, a 17-year-old Navajo, Harry Joe, was tending sheep in the vicinity of a trading post at Bita-Hochee. Late in the afternoon a bolt of lightning struck and killed him. Relatives, friends and even those who were strangers to the boy refused to touch the body; they were restrained by the ancient superstition.

At Indian Wells, across the valley from Bita-Hochee Herb Hukriede returned late at night from a trip to Window Rock, Arizona. He is the postmaster at Indian Wells and is



At left, Union Oil Dealer Herb Hukriede (in dark coat) is given a Superior Achievement Award by Assistant Postmaster General Eugene Lyons. Attending the ceremony were many of the postmaster's friends, including a few who came in Navajo housetrailers, above.

also the Union Oil dealer in that area. It was not until the following sunrise that tribal police awakened him and reported the tragedy.

Not without fear but certainly without hesitation, Hukriede pushed aside the superstition:

Going at once to the scene of death, he undressed the body, bathed it, and dressed it again in new clothing — all in accordance with Navajo custom. He ordered ice to be sent 30 miles from Holbrook to preserve the body. He arranged for a Lutheran missionary to conduct funeral services. Harry Joe was buried in fine Indian style — with saddle, lariat and suitcase accompanying him to the Happy Hunting Grounds.

The courage and humanitarianism of Herb Hukriede somehow filtered outside reservation boundaries. Arizona newspapers picked up the story. Postal authorities in Washington read the accounts and were deeply impressed.

So on August 14, 1959, a unique ceremony was held around the Post Office steps at Indian Wells. Gathered from all corners of the reservation were trucks, saddle horses and horse-drawn wagons. Their owners sat or stood around in quiet, respectful groups. The family of Harry Joe occupied chairs near a Navajo-blanketmarked speaker's stand. Present on the stand were Assistant Postmaster General E. J. Lyons from Washington, D. C. and a number of prominent representatives of Arizona and the West. All paid tribute in "the voice of whispering streams" or in "the oratory of talking rivers" to the man who dared to place wisdom and compassion above the dictates of some better-to-beforgotten medicine man.

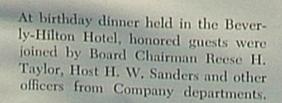


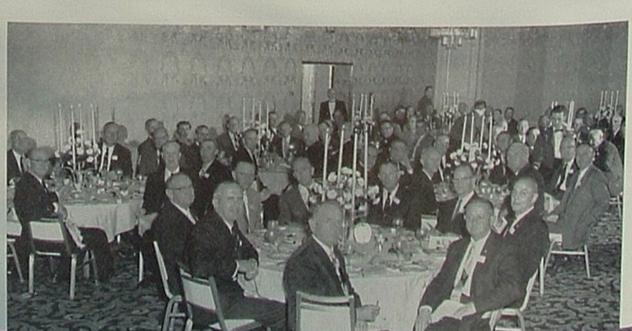
69 Birthday Observance

John P. Rockfellow, left, who for many years has helped present gold watches to 35-year people, finally receives one himself, and the congratulations of Vice President H. W. Sanders.



One of the birthday treats was a lunch-time boarding of the Supertanker SANSINENA as guests of Marine Manager D. L. Povey, left, and Captain V. Bertello, on deck at right.





Rallying in los angeles on Friday, October 16, 1959, 54 Union Oil employees, including two women, celebrated the Company's 69th birthday. Honored by top-management hosts were 33 employees who during 1959 attained the 35-year continuous service mark, 20 men of 40-years'-service status, and one 45-year man, Luby G. Stats.

The birthday celebration started with a tour of Union Oil Center. A buffet lunch was served by our Marine Department at San Pedro, after which the group were guests aboard the Company's supertanker SANSINENA at our new Outer Harbor Wharf. A brief visit with the whales and porpoises at Marineland was climaxed by the event of the day—a birthday banquet at the Beverly-Hilton

Hotel, at which Host Harold W. Sanders handed birthday presents of gold watches to all of the 35-year honored guests.

In the words of President A. C. Rubel, who was detained by a foreign assignment from attending the party:

"Our Company has played no small part in the growth and development of the petroleum industry, and you, our honored guests, together with the many who have been associated with you, have been in a large measure responsible for the success of our Company.

"On behalf of the entire personnel of the Union Oil Company, it is my privilege to again express our sincere thanks for your efforts and to wish you many happy returns of this day."

/THE END

"Many happy returns of the day" are reflected in the faces of these "senior" Union Oilers and their departmental hosts. "They have played no small part in the growth and development of the petroleum industry. . . . and the success of our Company," said President Rubel.

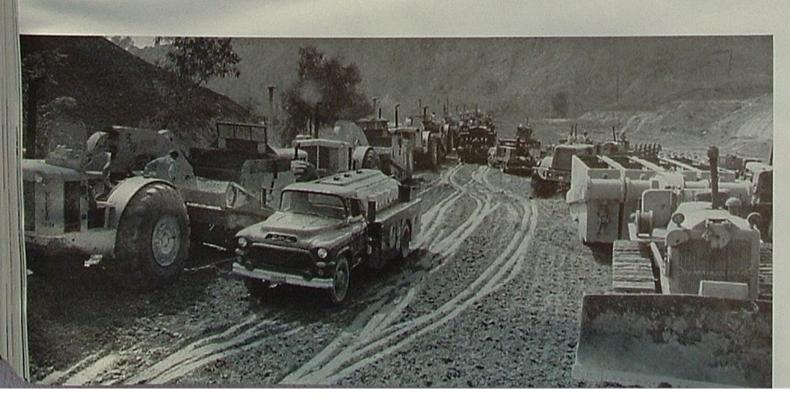


We're helping dig

diamond

for

the world-champion Dod



"Lineup" of base-ball stadium equipment includes about 50 hard-hitting, fast-fielding stars of the industrial league — champs at home or on the road.

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"Batteries for today's game" in Chavez Ravine are a 76 pump "on the mound" and a tanktruck "receiving." In area being leveled by earthmovers, over 50,000 fans soon will root for Dodgers.

Dodgers

O^N October 19, 1959, a decision by the United States Supreme Court cleared away a two-year legal dispute delaying the building of a Dodger baseball stadium and recreation park in Los Angeles' Chavez Ravine.

Anticipating the favorable ruling, Vinnell Constructors of Alhambra, California, were already hard at work on the initial two-million-cubic-yard earth moving chore. Their fleet of big Euclid machines, carrying 30 yards of earth per load, was leveling the terrain into what undoubtedly will be the world's foremost baseball attraction. The Vinnell people have exactly 120 days to fulfill their portion of the contract. This means the Euclids must move mountains and fill ravines at the rate of 25,000 cubic yards a day. Everything's on schedule.

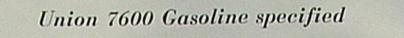
Union Oil Company is constructively interested in the job from, you might say, beginning to end:

At the start, Vinnell Constructors have favored us with the purchase of all petroleum products and services needed for *digging the diamond*. A Euclid burns up to 300 gallons of diesel fuel per 10-hour shift. And has to be lubricated with the *Finest* regularly.

Finally, we are happy to announce, all Dodger baseball games on radio and television during the 1960 season will be sponsored by Union Oil. Which means a lot of the folks who sing, "Charge, Dodgers!" will be charging their gasoline on Union credit cards.

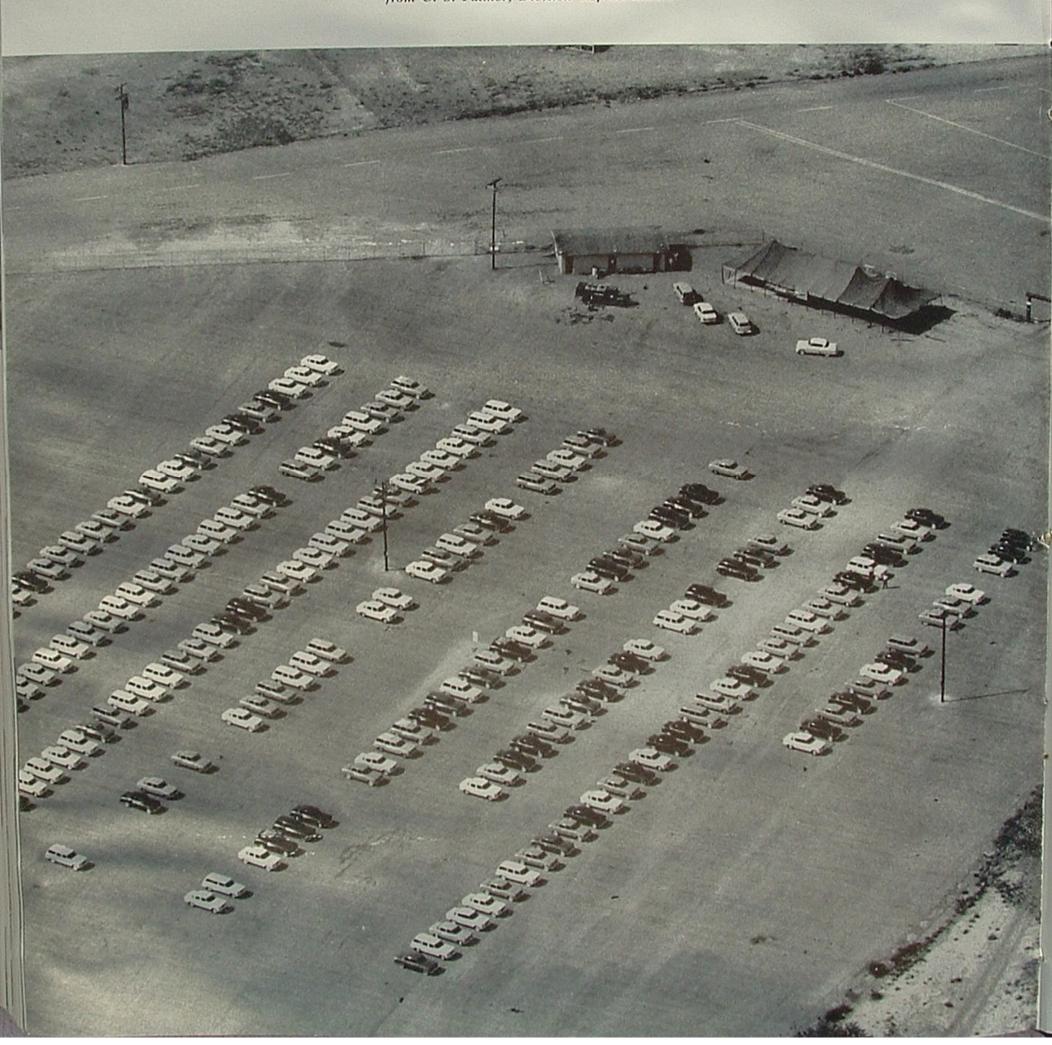
It's a scoop any way you look at it!

/THE END



WHEN THE 1960 LARKS UNVEILED AT

from C. S. Palmer, Division Representative



AS VEGAS

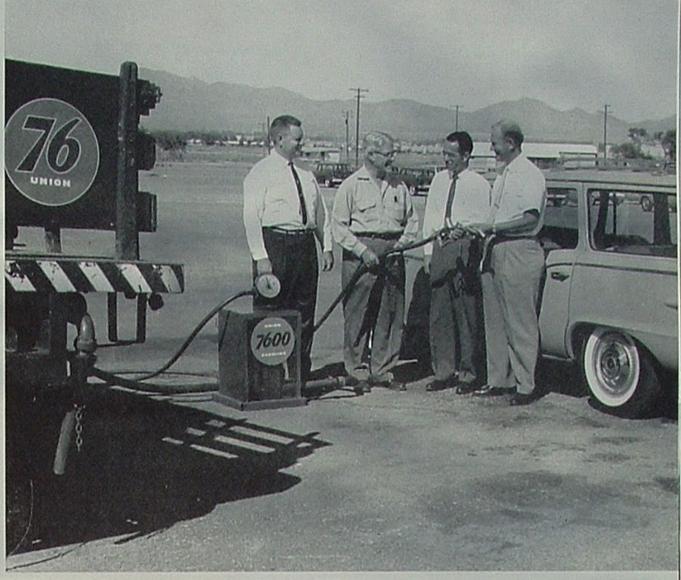
NTRODUCTION by the Studebaker-Packard Corporation of their 1960 Larks and Mercedes Benz cars wasn't what you'd call a one-model show. For all at once a flock of approximately 275 Larks sailed down the famous Strip at Las Vegas and came to roost on the Riviera Hotel parking lot. On hand to greet them were some 600 dealers and salesmen from the 12 western states, plus of course a good portion of Nevada's population. Cars and dealers then got together for one of the most spectacular sales conventions in automotive history.

Union Oil was complimented by being selected to fuel the entire fleet of new cars with 7600 Gasoline, "powered like a premium, priced like a regular." Consignee J. W. Conroy of Las Vegas responded with his best brand of Minute Man Service. Installing a portable pump and tank truck on the Riviera parking lot, he handled the big fueling job with speed and perfection.

Both the new cars and the new gasoline reflect the economy trend that is currently exerting its influence in American motoring.

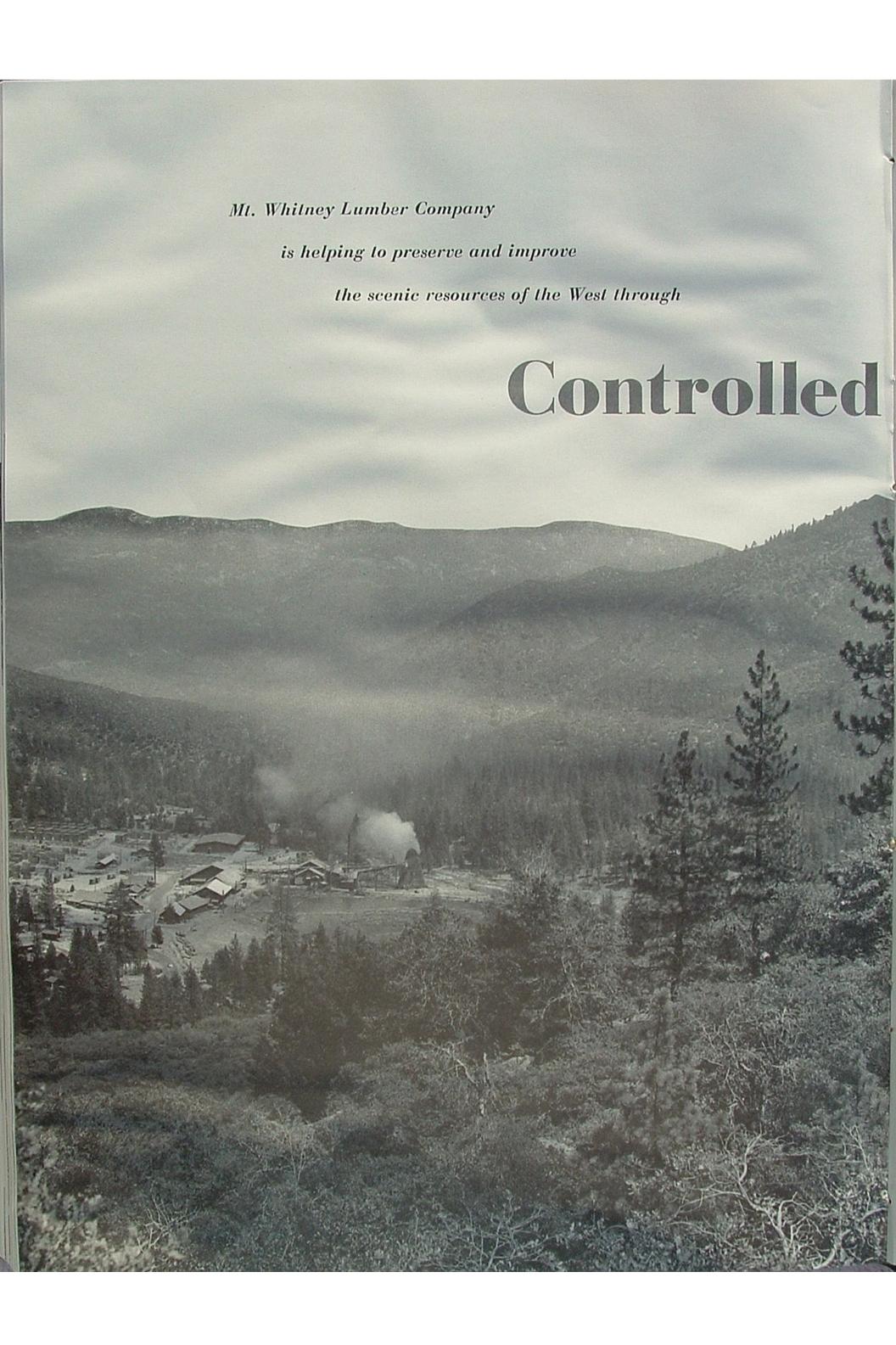
/THE END

Not all Larks were confined to the parking lot; three 1960 beauties posed for over 600 sales people dining at the famed Riviera.



At an improvised gasoline oasis on the Riviera Hotel parking lot, from left, Union Oilers C. S. Palmer and J. W. Conroy advise Studebaker-Packard Corporation's John Schiada and Earl Wiseman they're ready to serve 275 Larks with 7600 gasoline.





Forestry

M ost people think of the West's timber line as extending not very much farther southward than the Oregon-California state boundary. It comes as a surprise, therefore, to many a recreation-bound motorist in southern California when he follows Kern County roads into the High Sierras and bursts suddenly upon the town of Johnsondale.

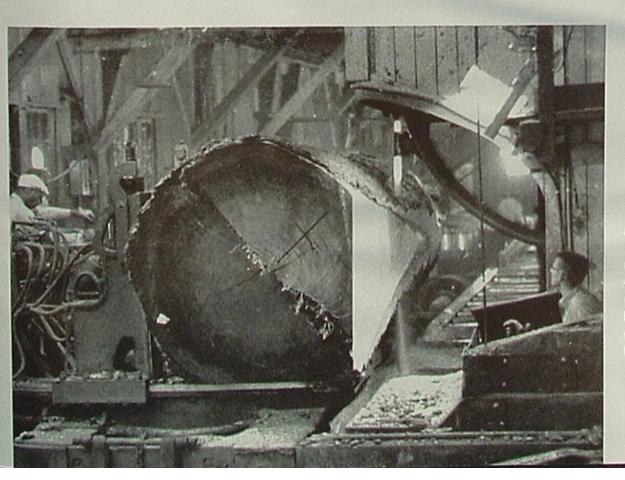
Here is the home of a full-fledged lumbering operation. A fleet of trucks hauls in the logs from mountain slopes in the neighborhood of Mt. Whitney. An excellent sawmill rips the big sticks into cuts of every commercial size. Then lumber trucks speed the finished products down some 200 miles of paved highway to the ever-growing markets of Los Angeles County.

Aside from the material aspects of this enterprise are



Near the "top of the West" in California, a Mt. Whitney logging truck dumps its cargo of logs into the mill pond of a busy plant.

At right, sawmill operators select and guide logs to a chain conveyor, which lifts them into position for crosscut sawing into proper lengths.



Most spectacular operation of a sawmill is the first ripping of a log into slabs. Under control of a skilled sawyer, machines rotate or move the log back and forth at swift-running speed through teeth of bandsaw.

CONTROLLED FORESTRY-continued

the interesting circumstances in which it was born:

Back in the depression days around 1935, private timber interests and the U. S. Forest Service found themselves holding checkerboard tracts of land in the Mt. Whitney area. The private interests, who owned several groves of big trees (the Sequoia Washingtonia), were reluctant to begin lumbering operations because of discouraging business conditions and also because their timber was scattered through one of the West's most inaccessible regions. The only people who had ever seen these groves of big trees were a few deer hunters and fishermen who could hike in or enter on saddle horses.

The U. S. Forest Service, on the other hand, wanted a lumbering venture to begin for several reasons. First, it would provide jobs for quite a number of the nation's unemployed. In addition, it would bring roads into the area, thereby facilitating the fire-fighting and control responsibilities of the Forest Service; and one of the country's most delightful recreation areas would be opened to the public. But the Forest Service men also wanted some of those privately held groves of big trees reserved for public parks.

So, with the help of Congress, a mutually agreeable exchange was negotiated. A number of private holdings were traded for government timber, thus preserving the best groves for public recreation and consolidating enough private property to create an economical logging unit.

Development of the enterprise has been long and arduous. Road building, even with U. S. Forest Service

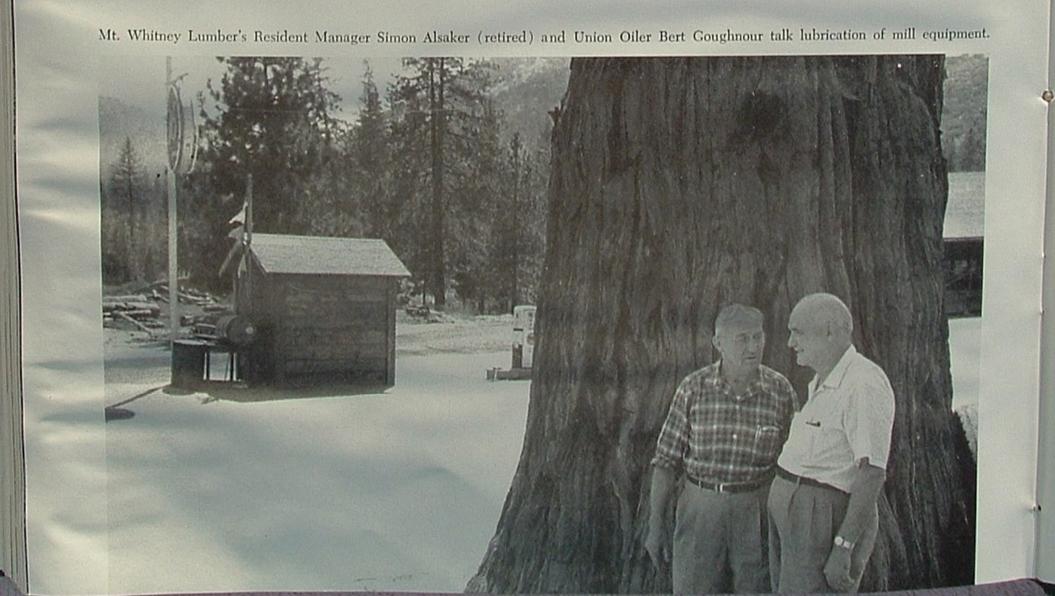
cooperation, was costly and difficult. The first sawmill installed was bought second-hand in Florida and shipped by rail and truck to the mill site; it was totally destroyed in 1943 by a fire that also nearly destroyed its owners, Mt. Whitney Lumber Company. Deep snow, bitter cold and floods of the High Sierras several times brought the whole job to an untimely standstill.

But a tough-willed management, backed by workers of pioneering cast, overcame every discouragement and obstacle. They developed one of the best lumbering and milling operations in the West. Their original tent city was transformed first into cabins, then into 95 very comfortable homes. Present-day Johnsondale, named in honor of founder Walter S. Johnson, president of Mt. Whitney Lumber, has both a grammar school and fine high school to keep its children abreast of the state in education. Here is pioneering at its best.

Contrary to the old theory that lumbering depletes a nation's resources, the Mt. Whitney effort is proving to be an enriching asset. Already its paved highway and system of dirt logging roads have enabled forest fire-fighters and tree doctors to save probably more timber than the mill has consumed. Furthermore, modern control measures taken by the U. S. Forest Service assure reforestation in a manner and on a scale that promises to outdo Nature.

In coming years, as you motor through Johnsondale to inviting new vacation areas on Mt. Whitney, it may be well to remember what this valiant group of men have accomplished — of course with the not inconsiderable help of Union Oil products.

/THE END





Mrs. Milan Arthur introduces Miss 76, a kitten whose mother has a passion for advertising.

The 76th kitten...

by Blanche Kelley

Birsy, as the record proves, is a highly prolific cat owned by Billie and Marshal Turner of Monterey Oil Company. She gave birth to 7, 11, a dozen, 13, 21, 57 and most of the other famous numbers of kittens without seriously straining the adoption talents of her owners. Even when No. 66 came along, the kitten was promptly shipped to an employee of Phillips Petroleum, whose company makes a great todo over any product with that number.

It is now obvious that fame neither lured Bitsy to the big city lights nor changed her feline ideas of romance. This year, on July 5, she gave birth to Miss 76, a coppertoned fluff of kitten with a most purring disposition. Faced for the 76th time with finding a good home for an adorable pet, the Turners put on their thinking caps and came up with the Union Oiler prospect of Mrs. Milan Arthur. She and her mother, Mrs. Stomp, accepted Miss 76 proudly.

To Bitsy this word of advice: Now either be content with your 76 fine offspring, or be reasonably confident you can increase your descendants to exactly 7600!

...and one with 76 Mittens

What, another cat named 76? Yes sir, the lady says right here in her letter:

"Enclosed is a picture taken by me of my grand-daughter Gay Ward, age 9, of Sacramento. She is hold-



In Sacramento Miss Gay Ward also has a kitten named "76"-seven toes on right foot, six on left.

ing her pet cat whose name is 76. He was christened with this very unusual yet appropriate name because he has seven toes on his right front foot and six on the left foot

"While I am writing you, may I add that we have been credit card holders for many years and find Union Oil products and service the very best."

> (Signed) Mrs. T. A. Sanson Newport Beach, California

> > /THE END

Business Highlights of the Month

EXPLORATION Via any craft under the sun.

Our widespread exploratory operations in Alaska, Costa Rica, Guatemala, Peru and Argentina are calling into use nearly every type of transportation device:

The helicopter is proving indispensable for air-lifting of personnel and equipment into inaccessible areas. In Alaska the 'copter was used to move both the drilling rig for seismograph operations and recording equipment for many of our survey lines. Because of its low-flying and variable speed characteristics, this aircraft was also used by geologists to examine remote rock outcrops on mountain tops and to cover many miles of terrain hostile to other transportation methods. In the north country during the summer thaw, light-weight track equipment is needed over extensive areas where a hiker will sink in mud up to his knees.

In equatorial countries, specially equipped trucks with low-pressure tires, swamp buggies and Teracruzers are used. Our mobile drills have been mounted on flatcars and moved on narrow-gauge tracks. Canoes have been pressed into oil service. Not infrequently natives have carried all essentials on their backs for as much as 40 miles along trails hacked out of the jungle.

In either latitude, climate, season and topography do their powerful best to upset both the oil man's machines and his timetable.

from Basil Kantzer

PRODUCTION Drilling, too, has its problems.

Climate and surface obstacles aren't the end of problems being met by Union Oil people scattered throughout the Western Hemisphere. To drill straight down anywhere usually adds complications. For example:

In the Gulf Coast, extremely high subsurface pressures are commonplace. In other areas, it is very important that no pressure exists in the producing formation if we are to produce the maximum recoverable oil. Some formations consist of oil-saturated limestones that require acid treatment in order to produce effectively. Others consist of tightly-packed sands or fractured shales or dolomites that have to be sandfraced at high pressure to be productive.

The electric log, which is recognized as a useful tool in evaluating the productivity of sands penetrated in the drilling of a well, is highly effective and reliable in the Gulf Coast area. In many areas in California, on the other hand, the electric log has almost no value.

So it goes. Nearly every area, every field and every well presents new problems. And the oil man must always be prepared to cope with something new in his experience.

from Dudley Tower

MANUFACTURING Refinery site purchased

Union Oil recently purchased 2,240 acres of land located 33 miles north of Seattle. The property is an excellent site for a refinery if and when conditions make such an expansion advisable.

Edmonds Refinery is now using asphaltic stock from Los Angeles Refinery for processing into asphaltic products. The resulting economic improvement will decrease the yield of fuel oils from Manufacturing's units.

Orcutt Refinery recently supplied several hundred tons of airblown asphalt to the City of Santa Barbara for sub-sealing concrete roads. The asphalt is pumped under the paving to fill voids, prevent settling and stop encroachment of water.

Oleum Refinery people have again worked 1,000,000 manhours without a lost-time injury. Within this refinery, the Bulk-Compound-Shipping department is credited with 1,000,000 safe manhours since its last lost-time accident while the Accounting department has reached the 1,500,000 mark or 15 years of safe work habits.

A new problem has bobbed up at Oleum: Excellent fishing at the Marine Terminal is attracting crowds of fishermen, whose small boats somewhat complicate the mooring of barges and tankships.

For the seventh year in a row Los Angeles Refinery exhibited the largest Halloween Jack-o-lantern in the world—a 3,500,000-gallon spherical tank. To a "pumpkin" coat of paint are added facial features and floodlighting. The tank grins across many square miles of Los Angeles County to the delight of several hundred thousand children and their parents.

from J. W. Towler

TRANSPORTATION AVILA opens new harbor. & SUPPLY

On September 9 our SS AVILA made the initial delivery of refined products to the Company's new Kawaihae marketing station on the Island of Hawaii, and also delivered aqua ammonia to storage maintained at this location by Collier Carbon and Chemical Corporation. Prior to this official opening of the new harbor, only one vessel, a molasses tanker, had used the facility. Costing \$6,800,000, Kawaihae Terminals provide the Big Island's second deep-water port and will serve industry on the opposite side of the island from Hilo. Our former long truck hauls of petroleum products from Hilo will no longer be required.

At the Port of Redwood City, tanker discharge lines have been installed to our distribution terminal from the municipal dock. Petroleum products may now be delivered either by barge or in part-cargo tanker quantities. One advantage of this flexibility is being realized during the current barge strike; all deliveries are being made by tanker.

Effective October 1, the Company reduced its posted prices for crude oil in the Cut Bank, Montana area. Reductions ranged from 25 cents per barrel for 40-gravity and lighter crude oil up to 41 cents per barrel for 24gravity crude.

from E. L. Hiatt

PURCHASING Location unannounced.

Mention the word "Platinum" and the average person thinks immediately of exquisite jewelry. The same word to a refinery engineer, however, conjures an image of millions of tiny pellets used in the process of reforming hydrocarbon molecules in a huge refining unit. Both regard platinum products as being the Finest.

Purchasing recently placed an order for 8,500 troy ounces of 99.9% pure platinum costing \$680,000. Deliveries of the precious metal will be placed in a vault awaiting the time it will be needed in the production of platinum catalyst for one of the new catalytic reforming units at Los Angeles Refinery.

from C. S. Perkins

RESEARCH Nobody has the last word.

In research today, scientists and engineers have available the greatest wealth of current technical data ever known. This information is literally being poured out from an enormous variety of domestic and foreign technical journals, each reporting on a relatively narrow field of specialization. In order to use research facilities at an optimum level of effectiveness, the individual researcher must be adequately informed of recent developments in his field. Making this knowledge available with an economically feasible minimum of search time is a key problem in research library management. Information storage and retrieval procedures now being developed for use with high-speed data processing machinery are expected eventually to shed light on this problem as well.

At Union Research Center, over 350 technical periodicals are made available to the research staff. In addition, 15 abstracting services are received, the most

comprehensive of which abstract information from more than 7,000 technical periodicals.

Translations from foreign languages, including Russian, are also readily available. In this connection it is interesting to note the recent report that the quantity of Russian-language technical literature currently available to the scientific community is beginning to approach the quantity of all English-language technical publications combined.

In addition to periodicals, the Research library maintains a collection of nearly 11,000 bound technical volumes, and this number is being selectively increased. Pertinent data from all of these sources is brought to the attention of Union researchers working in their various fields.

from Fred L. Hartley

MARKETING

Among prominent contractors who have elected to use Union Oil products on big construction jobs in the West are:

Gordon H. Ball, who has been awarded six major contract jobs within our Oakland and Sacramento divisions. Morrison Knudson Company, who are constructing a dam and powerhouse for Chugach Electric Association at Cooper Lake, near our Portage, Alaska marketing station. Northwest Construction Company and John Hopkins Company, prime contracts for two approaches to a new 1½-mile floating bridge to span Hood Canal in the vicinity of Port Gamble on Washington's Olympic Peninsula. Hebb & Narodick Construction Company, Inc. and Inland, Boespflug and McLoughlin, who together will build over 1,200 homes at Fort Lewis, Washington under the Capehart Housing Project.

Plans have been concluded for construction of a marketing station on the Island of Maui, Hawaii on 47,000 square feet of Kahului Harbor land leased from the Kahului Railroad Company.

A contract has been negotiated with Alaska Lumber & Pulp Company, Inc., covering the bunker fuel requirements at their new multi-million-dollar plant at Sitka, Alaska. First delivery to this key account was made by the SS SANTA MARIA in September.

Retirement has claimed Consignee J. Harvey Boyle at Salmon Bay, near Seattle, after 36 years of Company service; also J. C. Pickering of Mount Vernon, Washington, who had been a Union employee or consignee for 37

Military Petroleum Supply Agency has awarded the Company contracts covering 17,220,000 gallons of marine diesel oil for delivery from California refineries between October 1, 1959 and December 31, 1959.

Under a distributorship concluded with Carl Weismann and Company, our lubricating oils, greases and asphalts will be marketed in Pakistan.

from Roy Linden





CABLE CARS were worn, not ridden, when Union Oilers Marjorie Mullin and Laurette Luce, president of the Desk and Derrick Club in San Francisco, appeared at the October national convention of D & D in San Antonio. from Pat Clark from Pat Clark

HOME-COMING DAY at Los Angeles Refinery on September 17 and at Oleum Refinery on October 7 brought approximately 150 retired employees back to their former job sites for a day of re-Union. Photos show a healthy group of steady vacationers lining up to pay for their free lunch at LAR's cafeteria; and Oleum's Chief Engineer J. H. Brooks exchanging experience with retired Electrical Shop Foreman Claude E. Van Marter.

from S. D. Reiner and D. G. Probst



DEALER GORDON CHRISTOFF, left, of Downey, California aimed to make the first sale when it was announced that his community would sell license plate holders to finance a float in the forthcoming Tournament of Roses, Pasadena. Enlisting the help of Miss Downey (Sharyn Hillyer, right) Christoff tackled the first prospective customer in sight, who turned out to be a city councilman and Union Oil employee. For the life of me a city councilman and Union Oil employee. For the life of me I couldn't think of the word "No."

from the purchaser, Scott Temple

JOHN E. SHERBORNE, manager of production research for Union, was cited by the So-ciety of Petroleum Engineers at their October meeting in Dallas "for his continuously outstanding technical and ex-ecutive leadership to the So-ciety over a period of 21 years." from Basil Kantzer







THE DRAMATIC THING about this Union Oil Unifiner-Platformer model on exhibit in Nagoya, Japan is that it had suffered the full impact of Typhoon Vera and a tidal wave on September 26, while en route to the exhibition site. Though badly damaged by salt water and mud, it was expertly restored by a Japanese model maker and was viewed by an estimated 185,000 people. Following its adby an estimated 185,000 people. Following its adventure abroad, the model is being returned to from R. S. Dowling Los Angeles.



DON N. PARKER of Oleum Refinery and his wife have nothing but praise for the honesty and kindness of Oregon's citizens. While they were vacationing, Mrs. Parker left her wallet, containing the family fortune, in the women's room of a "76" service station at Diamond Lake Junction, Oregon. The loss was discovered 200 miles later at Madras. Our Madras dealer telephoned the Diamond Lake Junction dealer. The latter had received the wallet from a warm benest young lady and had disfrom a very honest young lady and had dispatched it via the Oregon State Highway Patrol southward, thinking the Parkers had gone in that direction. Following the phone call, the wallet was relayed northward via several Highway Patrol officers and reached the Parkers without even delaying their vacathe Parkers without even delaying their vacation. Neither the money nor Oregon ever from D. G. Probst looked greener.





MRS. ETHEL T. MORI, wife of Union Oil Salesman Kiyoto Mori, Honolulu, has been appointed superintendent of recreation in this city's Department of Parks and Recreation. She had been assistant superintendent of recreation since 1946.

from R. H. Rath

DEALER EUGENE R. SPENCER of Walnut Creek, California has been named to the board of directors of the Chamber of Commerce in that city, following his outstanding leadership in community sports, fairs and charity drives. He is also associated with the Rotary and High-Twelve Clubs.

from Carlos T. Knight



"LOOK, MA, NO SKISI" Terry, 12-year-old son of Consignee Veryl Bonimer at Blythe, California, is one of the few experts in this sport who can run on water minus the help of water skis. He starts on a single ski, kicks it off, and continues bare-footed along the Colorado River at the sole-tingling speed of 30 to 35 miles an hour.

from Palo Verde Valley Times





a full year of operation without a lost-time in its history, has achieved a full year of operation without a lost-time injury. Fifty-two plant employees attended a steak dinner in celebration of the accomplishment, and even the seven men who had to remain on shift were sent beef with all the trimmings. In the photo, Adolph Bertelson of the Shop Group receives from R. D. Smith, right, one of the four Safety Recognition Certificates awarded.

from W. P. Barber



FIRST MIXED-TEAM CHAMPIONS in the history of Los Angeles Refinery bowling are, from left, Betty and Bob Suttle, Frien and Joe Zuanich, Doris Whitmer, Eugene Commander, Sue and Harry Logan, who came into the summer league as a fill-in team, then knocked 17 rival teams into oblivion, from 5. D. Reiner

WINNERS OF THE HEYMAN TROPHY, through taking the 1959 Petroleum League bowling championship in Lafayette, Louisiana were (from left, standing) Ron Cernik, Bob Ingram, Allen Dupont, (Donor Herbert Heyman), Hal Finney, Gene Manson; (kneeling) Don Skeele and Tom Stoy — all Union Oilers working out of our Abbeville, Louisiana office.





WESTERN AIR LINES' BRAD McFARLAND, left, and two pretty stewardesses were the first to extend a "Happy birthday!" to this contingent of San Francisco guests starting toward the Company's
69th Birthday Observance in Los Angeles, In the group (by pairs,
starting at the bottom of the ladder) are W. T. Jameson and
H. P. Eye, E. E. Emerson and R. A. Collins, L. L. Costa and
E. J. Zanussi, A. J. Klem and L. E. Keahey. The girls? Fly
Western and meet them personally.

from D. G. Probst

RETIREMENTS

November 1, 1959	Service Date
ELDON I. ALLEN Southern Division Field	November 1, 1921
HORTON H. DIEVENDORFF Field Department	April 10, 1923
LADDY W. JANES Direct Sales—Los Angeles	July 13, 1933
EDWARD T. LOOPE Los Angeles Refinery	April 28, 1944
MIRIAM G. McKISSICK Retail Marketing—Los Ang	geles July 19, 1944
ALBERT MURPHY No. Region Distribution	May 10, 1919
JAMES H. NEWBERRY Direct Sales—Seattle	October 6, 1921
BERTHA M. SHERWOOD Los Angeles Refinery	September 11, 1927
HUGH R. SMYTH So. Region Distribution	March 30, 1931
December 1, 1959	Service Date
JEWEL L. MOELLERING Oleum Refinery	March 25, 1925
ALVIN L. TUCKER Los Angeles Refinery	August 21, 1930
TOMMIE G. WRIGHT Coast Division Field	December 28, 1943

IN MEMORIAM

Retirees

CHARLES EDWARD MILLER
Transportation and Supply August 31, 1959

WALTER M. BARR Northern Division Pipeline September 29, 1959

JOHN ELLIS SHRADER Southern Division Production October 23, 1959

SERVICE

BIRTHDAY HHHHH **AWARDS**

EMPLOYEES

November 1959

40	YEAR5	

ROBERT E. DONOVAN....Northern Region Distribution BEN HEMMERLING.....Southern Division Field RAYMOND M. TEAL......Comptroller's-Home Office

35 YEARS

JAMES S. BASSETT......Direct Sales-Spokane THOMAS J. COLLINS......Northern Division Pipeline

30 YEARS

WALTER M. RIDING......Northern Division Pipeline WILLIAM M. SOPHER...Retail Marketing-Home Office JOHN L. TERRY......Northern Division Field

25 YEARS

HOWARD T. COURTNEYNorthern Division Field WILLIAM M. MOFFITTSouthern Division Field MYRON E. SMITH.....Treasury-Home Office

EARL AMOTT......Research Department JAMES F. COOK.......Research Department ROSE A. PELOUS......Comptroller's—Home Office

ATHAN R. CARTER.....Southern Region Distribution ROY C. DAVIDSON......Direct Sales-Phoenix JIM FLETCHER.....Los Angeles Refinery KENT W. KUEHL.....Southern Region Distribution ERMAL E. McCLAINSouthern Division Pipeline GEORGE W. STEPHENS.....Southern Division Field JOSEPH F, STREEPER Oleum Refinery
FRANK J. ULBING Los Angeles Refinery

10 YEARS

CHARLES W. CARY.....Exploration-Bakersfield JAMES R. CHILTONExploration—Canada WYLIE C. DAY......Los Angeles Refinery HERBERT S. HARRY....Land Department—Bakersfield ROBERT A. HENDERSON...Northern Region Distribution LUCILLE F. HINES......Land Department-Home Office ROGER M. LEVANRetail Marketing-Seattle ROBERT O. WHITE...... Southern Region Distribution THOMAS E. WOOD......Northern Division Field

December 1959

40 YEARS

PAUL W. TROOKSouthern Division Field

HARVEY P. EYE........Oleum Refinery
OTHA A. HAWTHORNE Los Angeles Refinery MALCOLM M. McALLASTER ... Southern Division Field

HOUGHTON W. BRAGG......Direct Sales-Pasadena OLIVER B. GOLDSMITH......Direct Sales-Los Angeles KENNETH E. KINGMAN.....Executive

25 YEARS

WILLIAM V. CRIDDLETransportation and Supply FRANK A. CULLING...Foreign and Ref. Sales—Japan DONALD F. DUNLAP......Northern Division Field ADOLPH O. GORANSON..Northern Division Pipeline

20 YEARS

CHARLES F. BOWDENField-Home Office CLIFFORD C. BRAATEN......Oleum Refinery THEODORE W. PROUDFOOT Direct Sales-San Diego

15 YEARS

GEORGE L. ANDERSON Southern Region Distribution FLOYD E. BURTON.....Los Angeles Refinery RALPH B. COSTA Oleum Refinery
CECIL J. GOAD Los Angeles Refinery PAUL O. GOODERManufacturing-Home Office SILAS A. GOULD......Northern Division Field RAYMOND C. GOWLER. Northern Region Distribution EVERETT L. GRAY.....Los Angeles Refinery JASON W. HODGE Southern Division Field ROBERT W. KNOLL Retail Marketing—Seattle CLARENCE J. PIETERICK......Oleum Refinery ORVAL L. RINEHART.....Los Angeles Refinery

MARGUERITE C. FINE.......West Texas Division Field CHLOE A. KIES......Northern Division Field

DEALERS

September 1959

10 YEARS HOWARD EBBERT......Casa Grande, Arizona R. GRANT WOODS......Thatcher, Arizona

October 1959

10 YEARS JOHN E. KREBS & WARREN SPEER....Phoenix, Arizona

5 YEARS

MARY LOUISE MENA......Ashford, Arizona LEO V. PENNYPhoenix, Arizona VIC M. ZAKER......Phoenix, Arizona

November 1959

50 YEARS CARLEY'S GARAGE......Angels Camp, California

20 YEARS BERNARD A. BLOW......Sumas, Washington RYAN'S SERVICE.....Lowell, Arizona

15 YEARS

E. J. DICKSON.....Bremerton, Washington G. E. & J. W. TOOT......Tonto Basin, Arizona

A. G. FLETCHER......Port Angeles, Washington STANLEY A. MacPHERSON...Walnut Creek, California A. W. MILU.....Walnut Creek, California

KRISTE RIBARICH......Oakland, California E. L. STAFFORD.....Bellingham, Washington

ROBERT CAMPBELL....Las Vegas, Nevada LOUIS CHEEK & RAY BISHOP Willow Ranch, Calif. RICHARD B. CONN. West Covina, California FRANCIS E. GUYER Portola, California V. P. KIRKPATRICK Corona, California HARVEY & SLOYER Azusa, California
ARTHUR C. STONE Mt. Vernon, Washington
HACK TOWNSEND Arivaca, Arizona
ALICE J. VOLOCK Fellows, California

December 1959

25 YEARS

BLADE CHEVROLET CO.......Mt. Vernon, Washington FIRESTONE AUTO SUPPLY STORE Petaluma, Calif.

15 YEARS

W. J. BAXTER Oakland, California LINCOLN SUPER SERVICE Stockton, California

10 YEARS W. R. BARNES. Berkeley, California
HOWARD EBERT GARAGE. San Jose, California A. L. WIERMAN Kirkland, Washington

5 YEARS

ALBERT W. CALDWELL...San Luis Obispo, California JOSEPH F. COLOUCH..... San Luis Obispo, California RALPH EDDY Redmonds, Washington FLEETWOOD GARNER Bakersfield, California GEORGE INAMURA Honolulu, Hawaii NA-AH-TEE TRADING POST..... Indian Wells, Arizona BILL STEVE Fallon, Nevada

CONSIGNEES - DISTRIBUTORS

November 1959

30 YEARS

VICTOR J. CARLSON. Lebanon, Oregon R. W. McKIM. Visalia, California

MANUAL F. PIMENTAL.....Tracy, California

20 YEARS L. F. CADONA.....Tulare, California

15 YEARS H. A. MOCETTINI......Greenfield, California

10 YEARS JOSEPH P. JORDAN......Fort Benton, Montana

December 1959

30 YEARS

CARL C. SUPP. Wells, Nevada E. W. WEBBER Davenport, Washington

GLENN O. RUSHER Tillamook, Oregon

CLARENCE HINSVERK Williston, North Dakota PAUL M. RODVOLD.......Williston, North Dakota

Myrl A. Reaugh

What is the Number 1 threat to U.S. growth?

"Union Oil Company of California is one of the fifty largest industrial corporations in the United States.

"Last year—through sales of Royal 76 Gasoline, 7600 Gasoline, Royal Triton Motor Oil and dozens of other petroleum products—we made a 'bookkeeping' profit of \$25 million after taxes.

"This represents only 6% of our total sales. But it's still a lot of money in anybody's language.

"Yet \$25 million would last only 25 minutes of one working day, if it were used to meet the cost of running our federal, state and local governments.

"This enormous government spending, along with higher taxes, is one of the main causes of inflation. And because of inflation, our \$25 million profit was indeed just a 'bookkeeping' profit.

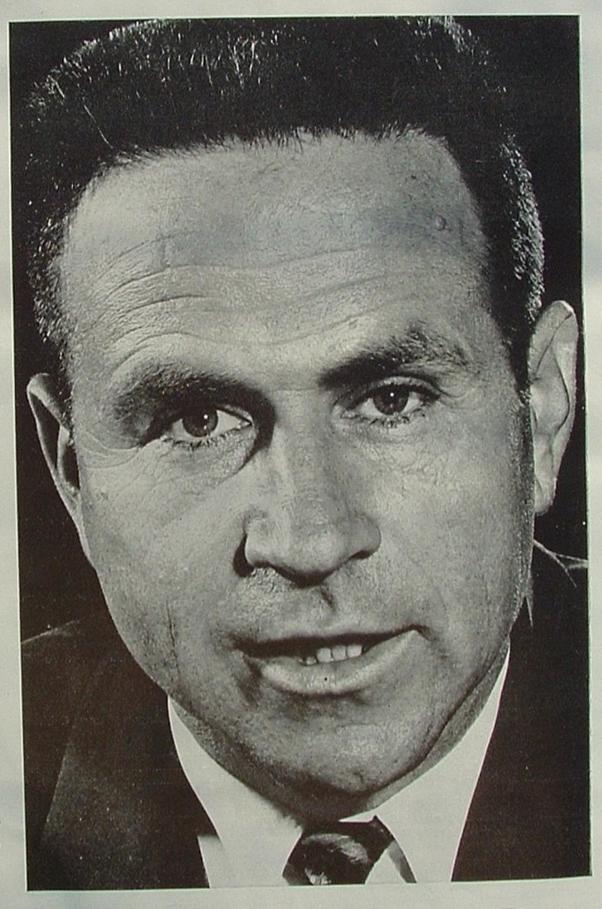
"Here's why. We, like every other business, must replace worn out or obsolete 'plant'each year. Last year, the tax people allowed us \$44 million for this purpose.

"But because of the inflated costs of replacing 'plant' today, we estimate that we needed about \$17 million more than that. Not for expansion, mind you, but just to stay in business. This extra \$17 million had to come out of profits.

"So after paying out dividends of \$10½ million, we not only had nothing left from our profits for expansion and growth; we actually had to withdraw cash from our 'rainy-day' reserves to stay even."

Myrl A. Reaugh is Union Oil's Manager of Manufacturing Services. He points up clearly a situation that may very well constitute the Number 1 threat to U.S. growth.

YOUR COMMENTS INVITED. Write: Chairman of the Board, Union Oil Co., Union Oil Center, Los Angeles 17, California.



Union Oil Company of CALIFORNIA

