

OCTOBER 1963



WILLIAM LYMAN STEWART, JR. 1897-1963

SEVENTY SIX 
UNION OIL COMPANY OF CALIFORNIA

Duke of Westwood

WESTWOOD, in case you don't know, is a beautiful residential community just west of California's famed Beverly Hills. It's the home of many great names in the entertainment world, home of the UCLA Bruins, and home of the most exquisite homes you've ever seen.

Far from remaining aloof and barricaded, the people of Westwood are as neighborly out of the limelight as in. Their favorite pastime is meeting at the village pump.

The pump in this instance happens to be at Broxton and Le Conte in Westwood Village. It's really not one pump but several of 'em, all conspicuously branded "76." Nearly everybody in town drops in there for service and gasoline, or just to say hello to Duke Chuckovich, the dealer.

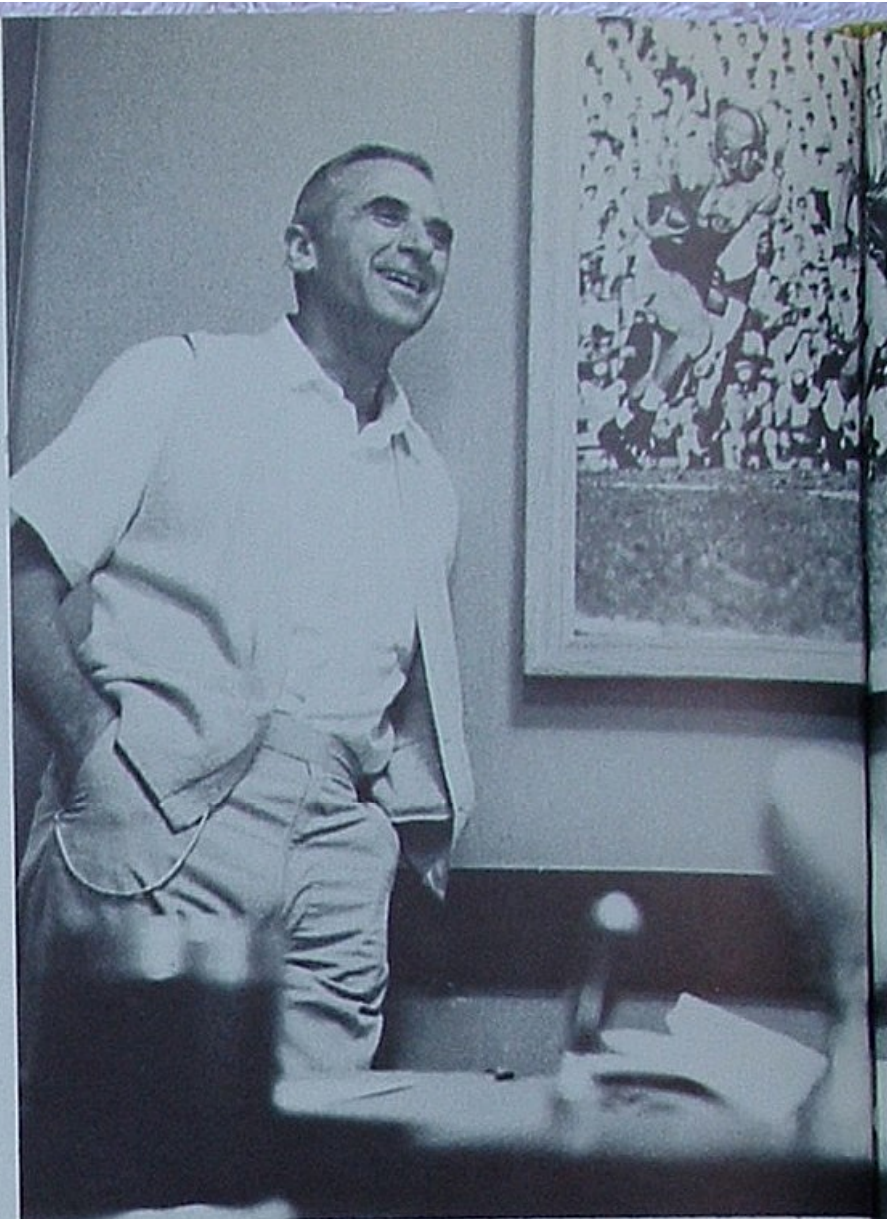
Duke's service is nearly beyond description:

This time of the year, he's daily crossing the road to cheer the Bruin football team. In all seasons, members of the squad or coaching staff come in to repay the loyalty. Duke has seen every UCLA football game west of the Rockies for twenty years now and is one of the few fans allowed to watch the team practice.

When the station phone rings for Duke, it can be almost anyone or anything: A famous actress calling to see if her children are there waiting to be picked up after a matinee. A studio asking for one of several stuntmen who list the station as their most likely contact point. Or it could be Red Skelton imitating "Freddy the Freeloader" and asking if Duke has any free crankcase drainings—at wholesale. Red's a riot on stage or off.

Whoever it is, Duke has an answer or a suggestion. A showman of sorts himself, he likes and attracts people. Long ago he gave up hope of getting any work done; he's had to hire a crew of good men to do this. But probably no dealer in Union Oil Company has done a better job of bringing 'em in. There's standing room only around Westwood's favorite pumps.

THE END



The nearness of Duke's service station (below) to UCLA campus has inspired a 20-year loyalty between our dealer and the football team. Above, Duke and coach Bill Barnes begin the season.



MINUTE MAN SERVICE





RUSS HALFORD



Most appreciative of Duke's extraordinary salesmanship is his father-in-law, left, Wynn Miller, who before retiring was assistant to the president and a top Union Oil marketing executive.



In return, the village pumps are popular with students, including footballer Andy Sonn, right.

Picking up Red Skelton's car keys at the studio, Duke gets a private show from the great comedian.



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is a Union Oil Company of California 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 Editor, SEVENTY-SIX, Union Oil Center, Los Angeles 17, California.

COVER—Union Oil board chairman W. L. Stewart, Jr., died on August 30. Some of the highlights of his life are recounted beginning on page two.

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WILLIAM LYMAN STEWART, JR.

IT WAS SAID of Bill Stewart that Union Oil ran in his veins. He devoted forty years to the business of Union Oil's best interests, its reputation, sharing the responsibility in its expansion to the largest independent oil company on the West Coast, and attaining its present position as the 15th largest oil company in the nation.

Born June 27, 1897, at Santa Paula, where Union was founded, he grew up

A highlight of Mr. Stewart's Union Oil career was (at left) his introduction, with Mrs. Stewart, to Britain's Queen Elizabeth II last March 6th in Brisbane, Australia. His favorite relaxation (at right) was at the wheel of a yacht, or racing under sail.



with the company. His grandfather, Lyman Stewart, was one of the company's founders, and chairman of the board of directors at his death—a pioneer of the California oil industry. His father was William Lyman Stewart, president of Union Oil from 1914 to 1930. Certainly W. L. Stewart, Jr., had been exposed to Union Oil since childhood.

Forty years do not fully encompass the full span of his Union Oil career. At 17, during vacation from the Pasadena Public High School, he signed on as a wiper aboard the Union Oil tankship *Argyll*. Loving the sea, he returned the following summer as an oiler on the same vessel. His schooling and the interests of Union Oil continued to occupy his time. Summer vacations from Culver Military Academy and Stanford University from 1915 to 1917 were spent as a roustabout in the oil fields in San Joaquin Valley and as a pipefitter at Los Angeles Refinery. He always remembered those apprenticeships with satisfaction and pride.

During World War I, in 1917 and 1918, he was a flying cadet in the aviation section of the U.S. Signal Corps, receiving an honorable discharge as a first lieutenant. Soon after the war, he enrolled in engineering studies at Massachusetts Institute of Technology, and was graduated in 1923. On September 17 of that same year he began his 40 years of service as a Union Oil employee, starting as an assistant in research at Los Angeles Refinery.

Elected to the board of directors in 1926, at the age of

29, Mr. Stewart promptly became a key figure in the company's operations and planning. He was appointed director of manufacturing and a member of the executive committee in 1929; vice president in 1930; executive vice president in 1942; senior vice president in 1955; vice chairman of the board in 1956, and chairman in 1962. Mr. Stewart was the oldest member in years of service on Union Oil's board—a fact he was understandably proud of.

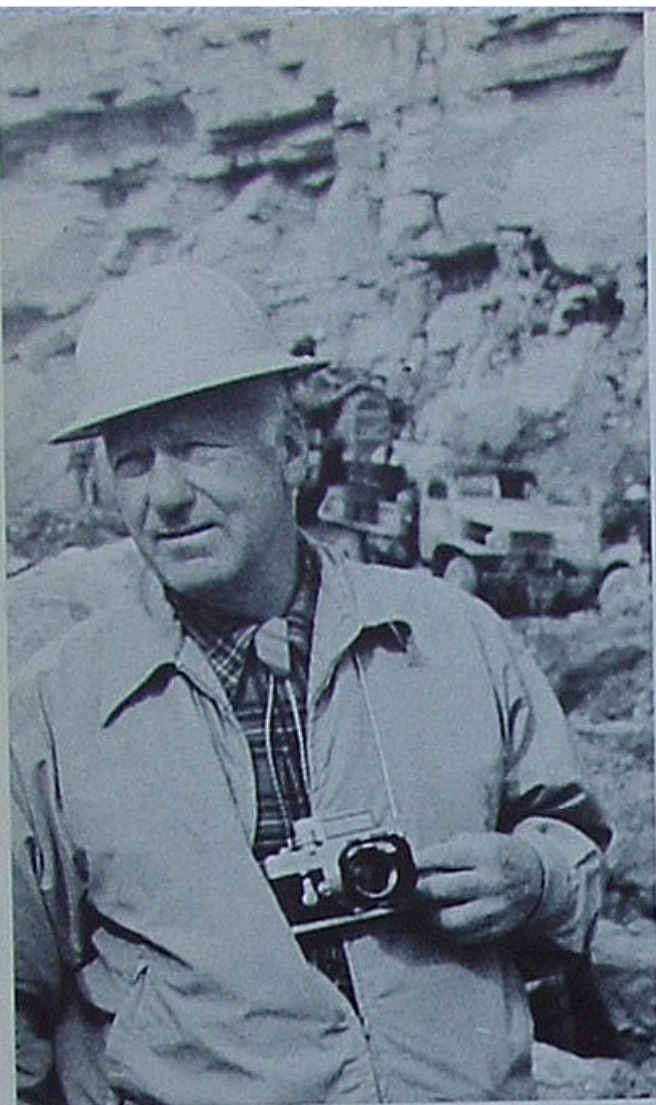
In the course of his career Mr. Stewart was asked many times to make speeches. This was not one of his favorite duties, and his invariable response to such invitations was, "I prefer being a pipefitter." The few speeches he made were good ones, and he had the voice to do it. A big, penetrating voice, coupled with clear diction, commanded one's attention. His messages were clear, concise, and understood.

His voice—and eyes that seemed to have a way of seeing into the recesses of your mind—caused many to quake when first approaching him. But he also had a warm reassuring smile, and a gentlemanly manner to put one at ease.

Mr. Stewart's secretary of more than 17 years tells the story of nervously reporting to him on that first day, and being told, "I'm gruff and tough on the outside—but a big softy inside." Those who knew him well, well knew about that big heart inside. He performed many kindnesses to many people, yet never wanted any credit for so doing. He was embarrassed when told what a nice guy he really was.

Mr. Stewart was a team player. The heads of the depart-

continued



Mr. Stewart was at the helm of our shale-oil retorting program when he made this visit to Union's shale-oil properties located at Rifle, Colorado.

W. L. STEWART, JR. *continued*

ments that reported to him were given a free hand to conduct their respective affairs. His theory was that if a man had proved himself to the point of managing a department, he should run that department. He expected, and was given, full reports on operations, consulted on theories, plans and possibilities; he shared the problems that invariably arise in a growing company. Mr. Stewart was a fair man, and a good listener. He pulled no punches, nor expected that he be spared. If the thinking was questionable or fuzzy, he released a broadside and you knew where you stood. Tender feelings were out of place at his desk when the company's future was at stake.

Bill Stewart had three loves, his family, the Union Oil Company, and yachting. He also enjoyed a game of golf, and working with tools in his workshop. His wood-working equipment occupied many of his hours at home, and he was particularly adept in designing and creating articles made from orange wood from the trees that were pulled from his orchard. But his favorite recreation was boating.

When as a boy he moved with his family from Santa Paula to the Southern California area, he became the very proud owner of his first boat, a 12 ft. scow-type sloop, which he named the *Lark* and in which he spent many happy hours sailing in the sloughs of San Pedro.

In 1935 he built the *Santana*—a schooner that was later sold to Humphrey Bogart. Most famous of his yachts was the *Chubasco*, named for a treacherous wind that blows off Pacific Mexico. *Chubasco* dominated West Coast sailing races for several years with Skipper Stewart at the helm. In 1947 she was first across the finish line in the big transpacific race from Los Angeles to Honolulu.

A sailing contest anywhere was his favorite challenge. Besides competing in four races to Honolulu, he sailed in

two to Bermuda, in Sweden's Gotland Island race, and in England's Fastnet with Henry du Pont. It was during the Fastnet that Bill met England's Duke of Edinburgh. Upon their second meeting this year in Australia, the Duke said immediately, "You are a long way off course, sailor." The Stewarts have an international host of friends.

But yachting was never first in Bill's affections, especially when the company needed executive help or a qualified representative to serve the community, state or nation. Over the years he was a U.S. Coast Guard Reserve commander, chairman of a refining committee in the Petroleum Administration for War, a life member of the Massachusetts Institute of Technology Corporation, a director of Stanford Research Institute, a trustee of California Institute of Technology, and honorary lifetime director of American Petroleum Institute, a first chairman of local and national committees formed to solve air pollution problems, and an officer or director in countless other public services, businesses and clubs.

He and Mrs. Stewart had little more than returned from Germany, after having sailed their new motorsailer *Cordozano* across the Atlantic to the Pacific Coast, when duty called him from semi-retirement. With the death of Reese H. Taylor in 1962, W. L. Stewart, Jr., helped to fill the breach as chairman of the Union Oil board, along with Cy Rubel—who came in as president. Retirement, already past due, had to wait.

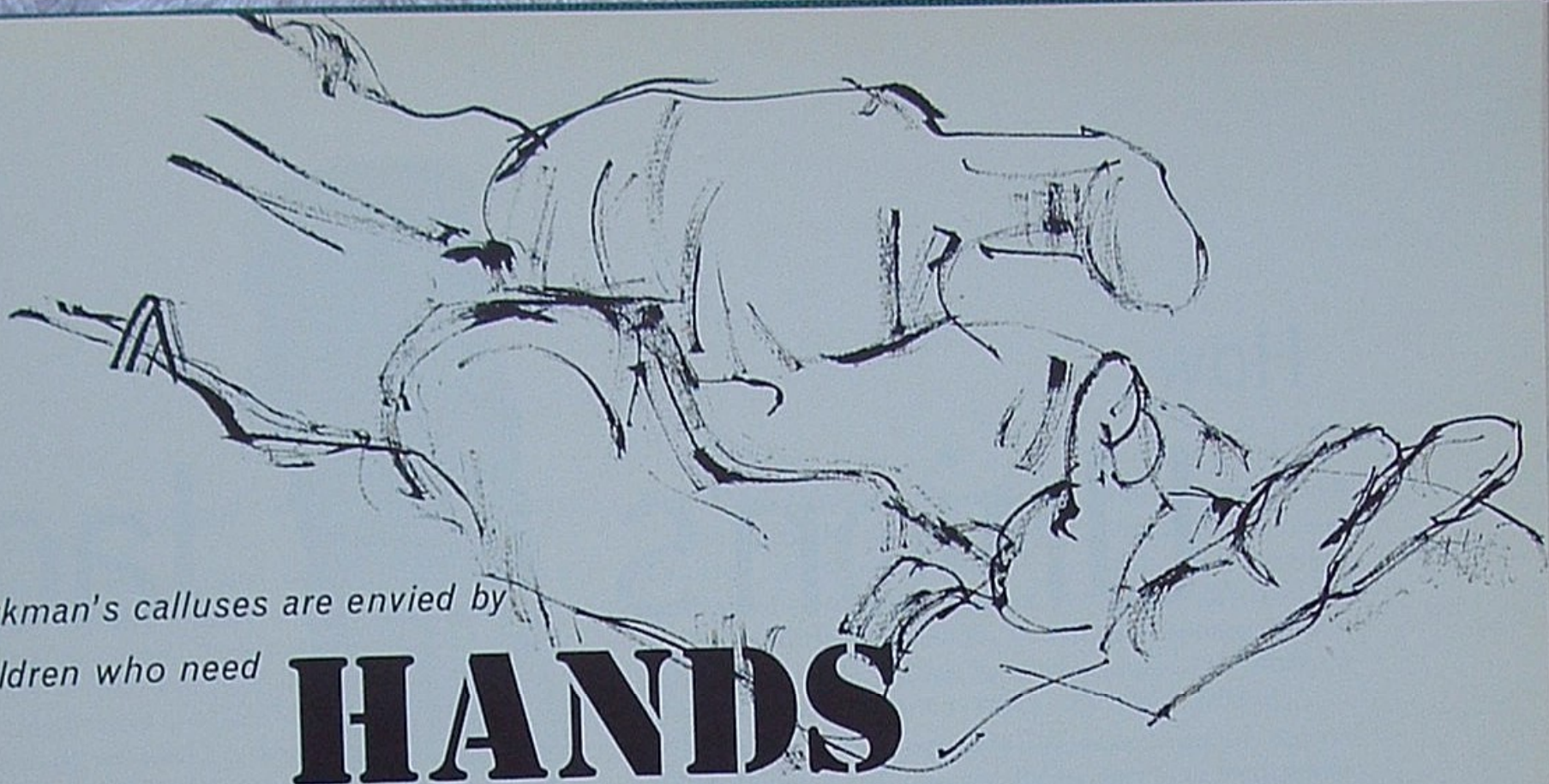
The end of his life's voyage came perhaps as a seaman of his bold nature would prefer it. His illness, he thought, was hardly serious enough to consult a doctor. In fact, while the doctors were completing their tests, Bill was doing what he liked to do most—sailing his boat to Santa Barbara. The doctors called him there and suggested that he sail back to the Good Samaritan Hospital. He underwent surgery on August 12. The end came on August 30.

The nearest of kin surviving are his wife, the former Julia Valentine, to whom he was married in 1921; a daughter, Margaret Stewart Bricker of Wayne, Illinois; a son, W. L. Stewart, III, who is manager of commercial sales in San Francisco; his brother, Senior Vice President Arthur C. Stewart; and sisters, Mrs. Caleb D. Elliot of Montecito; Mrs. Sarah Kirkpatrick of Los Olivos, California; and Mrs. Adalaide MacAlpine of Pebble Beach. Of his five granddaughters he was fond of saying, with his wide grin, that they "call Mrs. Stewart 'grandma' but I was always 'Uncle Bill.'"

To them, Union Oil people everywhere express their deepest sympathy.

From those of us who regard the end of life as the beginning of man's greatest journey into eternity, the most appropriate salutation now is "Bon Voyage." THE END

SEVENTY-SIX



The workman's calluses are envied by
children who need

HANDS

DO ME A FAVOR. Take a look at your youngest there, the little guy with the curly hair shoveling cornflakes in his mouth. I'll bet he didn't put his slippers on to come to the breakfast table like you told him. Chances are he doesn't want to wear shoes today at all.

What if he couldn't?

Now, notice him spearing the bacon with a grubby finger. "How many times I told you not to eat with your hands!" you yell.

Be glad he can.

Did your little girl forget to trim her fingernails? Never mind. It's a wonderful thing to have fingernails even with dirt under 'em. It's a wonderful thing to have fingers where fingers are supposed to be.

The words belong to Jim Murray. They're taken from his copyrighted column in the Los Angeles Times. Murray was writing about a visit he'd made to the Shriners' Crippled Children's Hospital. But the impressions he put down on paper could be echoed about our own company-wide fund raising campaigns during this month of October. So we asked if we could reprint most of his column here. The answer was "Yes."

Murray went on to say:

WHEEL CHAIRS INSTEAD OF SKATES

The human condition is nowhere sadder than it is in a misshapen child who has to lie in a crib with plaster of paris instead of legs, wheel chairs instead of roller skates. The lucky ones only have club feet. The others envy them.

The deformities for most are congenital. They don't know what it's like as little boys to go out collecting toads, skate keys, marbles, lizards, shiny rocks and spiders. The little girls wonder how come dolls come with straight legs.

Take little Darci Kay. Darci has beautiful blue eyes, blond hair, the skin a mother would kiss a hundred times a day. But Darci has not seen the world right side up since she was born and that was 18 long months ago. Her legs are trussed up in the air like a bulldogged steer. She lives on the back of her poor little neck.

But at least she has hope. Across the corridor, another little boy was born with arms that stop at the elbows. Nature, in its confusion, started to grow fingers there. It even botched that up. The legs are not much improvement. At the age of five, life is a long corridor of despair for this little fellow. He doesn't smile much. Even in a Congress of Nature's blunders, he stands out.

MINDS AND HEARTS ARE CLEAR

These are not sick children. That's what's so heartbreaking. Their minds are clear. Often, so are their hearts, lungs, livers, and other vital organs. They are deprived even of the mercy of retardation, of not comprehending. They KNOW they are different. There are 17 hospitals full of them in the world. Nature in its infinite bountifulness sees to it they are well supplied.

Like all kids, they make the best of it. They have pillow fights, call each other names, get gum in their hair, laugh unexpectedly—and cry unexpectedly. They have faith. One boy got a letter returned from the post office marked 'Insufficient Address.' He didn't see why. And neither do I. It was addressed simply: 'Mom.' Now, what's so hard about that?

There is Kathy, 16 years old and as beautiful as a spring day, golden olive skin, beautiful teeth and eyes as deep and dark as an Oregon lake. You remind yourself to ask God who goofed on the feet. She should be a dancer.

The administrator and the hospital staff will do the dirty work for you, comfort a weeping child, adjust a traction, try to explain to a boy why it is he can't run across the street like other boys. All you have to give is money. That's all it's really good for when you come right down to it. Or, put it this way: Do you know of a better place for it?"

Or a better, easier way to give it than by payroll deduction through your own campaign? Whatever the name of the campaign — A. I. D., United Crusade, United Good Neighbors — the result's the same. Someone somewhere has a happier life because YOU were generous. THE END

How

Union's

Jack



earned a million at spare time jobs

IF YOUR PAYCHECK was a little larger last time, or you found current expenses a little less than expected, chances are you'd think about putting the extra money into savings.

"Might as well earn a few dollars interest before Christmas," you would say.

Businessmen well know that if they budget wisely, and their business is profitable and efficient, they too come upon those fortunate days when current income exceeds current expenses. In this case, this temporary surplus can often be invested advantageously in short-term securities.

"Might as well earn a few dollars interest before the mortgage payment falls due," the businessman says.

The principle difference between your temporary savings account and the short-term investment activities of a large company, such as Union Oil, is the amount of money involved. Where your surplus could be in the nature of a hundred dollars, Union's might be a million.

With that amount at stake, this investment activity becomes a small business within a business. Responsibility for this business at Union Oil falls to E. H. Powell, manager of fiscal services. His office is on the second floor of Union Oil Center. We'd heard he was doing a \$40 million

a month securities trading business, and we wanted to learn more about it.

Powell, we discovered, was more banker than oil man, yet he is dedicated to the same responsibility all Union Oilers are: that of making the company more efficient, competitive, and profitable. Despite the magnitude of investment activities, there wasn't a ticker-tape machine in Powell's office. He has never been inside the stock exchange, and there wasn't a gilt-edged bond in sight.

No computer directs him; his tools are a master's degree in finance, a decade of experience in securities trading, his mental prowess, a telephone, a note pad and a good supply of well-sharpened pencils. His work might involve half an hour's rapid calculation of figures, a few moments in deep thought and the penning of a cryptic note to be telephoned or sent by wire to a bank. The actual details of sale and safekeeping of securities are handled by several banks that deal in short-term securities.

We asked Ed Powell to describe the nature of his work, and we added, "Please keep it in layman's language so we can understand it."

"Gladly," he replied, and related how a typical customer

in Spokane, Washington, bought a tankful of Union gasoline and paid cash.

"His dollars," Powell said, "were soon deposited in a local Spokane bank—one of 500 banks or branches the company uses in its marketing area. The branch clears the deposit to the main office of the bank, which wires a notice to our Treasurer's Department at Union Oil Center.

"Each morning, we total up these deposits. Say, for instance, they come to \$4 million today. Next thing we do is to add up disbursements—the amount we'll have to pay out today. Suppose these came to \$3 million. We'd have about a million left over, and we'd probably invest this in U.S. Treasury Bills or Notes."

Powell said Treasury Bills were much like U.S. Savings Bonds, only they came in larger denominations and mature in a shorter time. As an investment, they are good as gold—maybe better; they earn interest.

"On another day," Powell continued, "things might be different. Suppose receipts (income) came to \$2 million, and the company was called on to make payments of \$5 or \$10 million. In this case, we'd sell securities."

Such a day was Friday, May 3, when Powell received a cable from Treasurer L. B. Houghton, then in Tokyo, informing him our purchase of 108 million shares of Maruzen Oil Co. would be consummated on Monday, Tokyo time. Powell telephoned a local bank where he had "stockpiled" \$15 million in U.S. Treasury Bills in anticipation of the sale. Within hours, the bills had been sold and the money was made available to the bank's Tokyo branch for the transaction.

For several minutes, we had been wanting to ask a question. Having seen that interest rates for government securities were 2.8 per cent on that particular day, we asked if all this trading really paid off. We were more accustomed to the 4.8 and 5.25 per cent paid by savings and loan associations and credit unions. If it were up to us at this point, we were mentally prepared to snub this "pittance" of a yield.

"In the first place," Powell replied, "you couldn't withdraw your savings from such a loan organization or credit union prior to the dividend date without losing your accumulated interest. U.S. Treasury Bills, on the other hand, can be sold at virtually a moment's notice, and the interest is paid daily.

"Secondly," he said, "this 'pittance' of a yield on \$15 million is about \$1,200 a day.

"Thirdly, we do have certain other investments which yield more than Treasury Bills."

Later we learned from Treasurer Houghton that in 1962 Union's investment in short-term securities grossed \$1,325,-

000, which might pay for drilling a large offshore oil well.

One reason for the million-dollar return is that in recent months, somewhat typical of the past, the company's *investment portfolio* has ranged from a low of about \$35 million to about \$55 million. This invested money is drawing interest while waiting for the scheduled date when the company is called upon to make large disbursements.

Examples of disbursements that exceed a million or more dollars include payrolls, royalty payments to landowners, monthly payments to state and federal governments for gasoline taxes, quarterly dividends to stockholders, quarterly payments on corporate income taxes, and semi-annual property taxes—the latter no small item itself for such a large property owner as Union Oil.

Scheduling the purchase of the proper securities so they will mature just as a payment falls due is one of the more critical tasks facing Powell. In the horse-and-buggy days, when leisure wasn't a luxury, large payments often were sent by mail or stagecoach. That such leisure isn't possible in the space age is evident in this example.

Last October Union bought certain assets of the Texas National Petroleum Co. After detailed negotiations, the deal was to be closed at a Chicago bank at 10:30 a.m. on Wednesday, October 31.

The amount of cash needed to close the contract was \$5,167,433. In stage coach days, gold bullion in that value would have been shipped ahead of time. In express train times, a check would have sufficed. But in today's space age, when \$5 million draws \$400 a day in interest payments, new methods are demanded.

A few days before the closing ceremony, Union sent a letter to the Chicago bank asking the officers to draw a cashiers check to be dated October 31 for the \$5 million plus. At that time, Union didn't have anything like \$5 million on deposit, but the money arrived on time.

"On October 30," Powell said, "we ordered our Los Angeles bank to sell \$5 million in Treasury Bills on October 31, with payment at the Chicago bank." The money arrived in Chicago on time. But what's more important to this article, the \$5 million was available for productive investment right up to the day it was used to consummate the purchase.

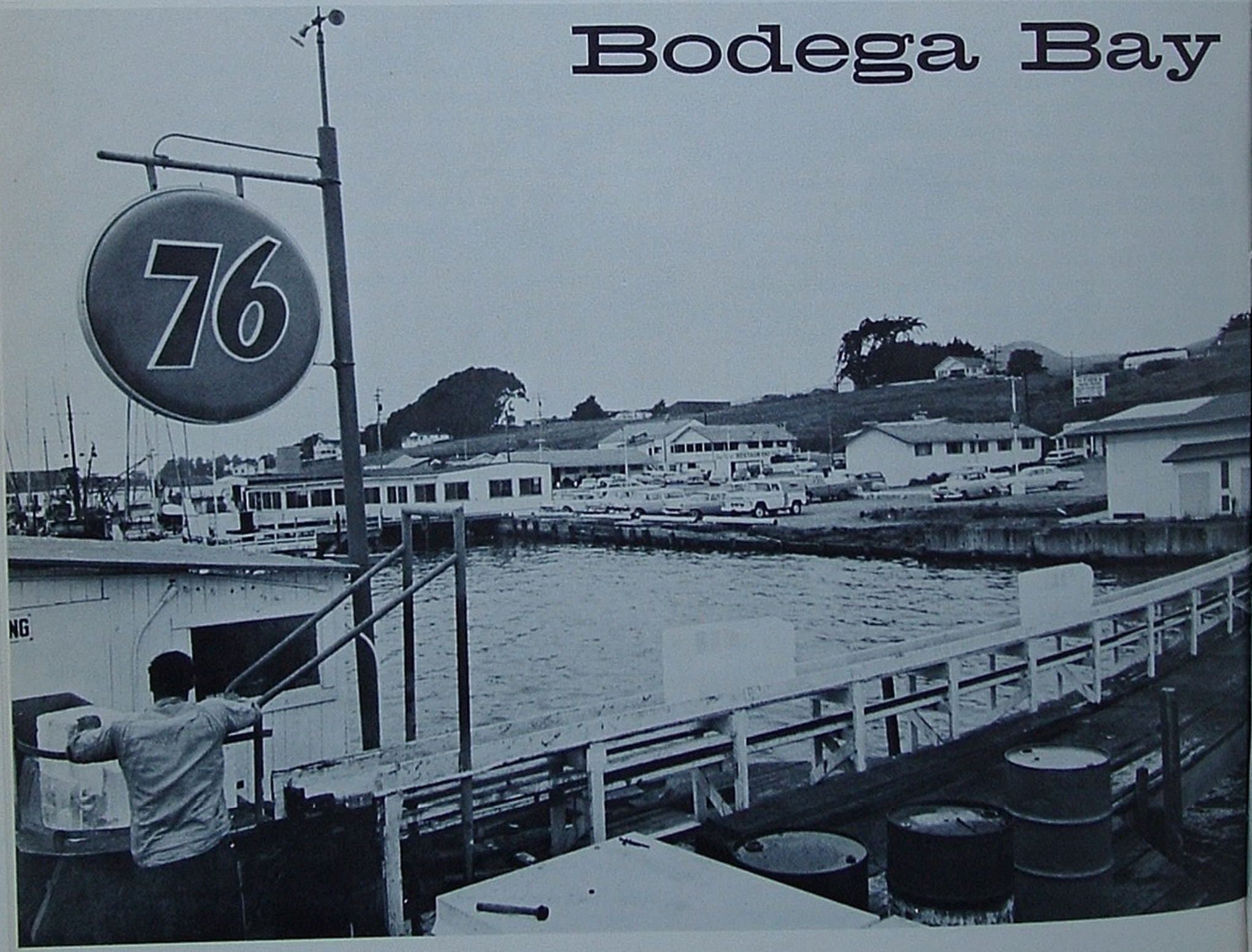
In summing up his work, Powell said, "We are very much aware that we are an oil company, and not a financial institution. Yet we have found that by paying strict attention to the 'working' dollar, we can earn extra dollars for the company."

And that's how Union's Jack earned a million at spare time jobs.

THE END

This is "The Tides," a provisioning place for commercial and sports fisherman on California's Bodega Bay. Leader in the bay's third discovery is Mitch Zankich.

Zankich discovers Bodega Bay



SEVENTY-SIX



From Bodega Head, Zankich can see "The Tides," which he owns, new atomic energy job he fuels, and the fishing fleet he hosts.

BODEGA BAY, CALIFORNIA

I'M A YUGOSLAV. But don't get me wrong. First, I'm an American. I was born right here in this country—in San Pedro, California. My folks came from the old country.

"Maybe there are a few people in this world who are better money-makers than the Yugoslavs. But we don't take our hats off to anybody as money managers. A Yugoslav isn't stingy exactly; he's a careful spender. If he doesn't have the first dime he ever earned, he'll at least have something to show for it."

Those were about the words Mitchell Zankich, Union Oil distributor, used in describing his success at Bodega Bay, eighty miles north of San Francisco. Then he immediately upset any notions his words might have inspired by winking at the photographer and grinning from ear to ear.

"This guy ought to be in the movies," our man, Russ Halford, said as he clicked the camera.

"I am in the movies," Mitch replied. "Just a few months ago Alfred Hitchcock leased my whole place as the setting for his movie, 'The Birds.' He hired half the town. For some reason he changed the name of the leading character to Mitch. And he gave me a speaking part—just one line, five lousy words. I step up, with my back to the camera, and say to this Mitch character, 'Where did you go, Mitch?' They shoot the scene only once, but I bet I say those words a thousand times for the sound man. When he finally picks my five best words, the voice sounds like somebody else. If the picture's no good, blame me."

History books tell us that Bodega Bay was discovered 188 years ago—on October 3, 1775—by a Spanish ship commander named Don Juan Francisco de la Bodega y Cuadra. Aboard his sloop *La Sonora*, he was aiming for San Francisco Bay. Finding a smaller bay and sandspit-pro-

tected harbor instead, he dropped anchor long enough to unfurl the Spanish flag.

The next discoverer was Alexander Kuskof who, in 1809, arrived at Bodega Bay from Sitka, Alaska, with 40 Russians and 150 Kodiak Indians. Concerned officially with extending the Russian domain and privately with obtaining furs, they stripped the bay of its otter population while building a political outpost at Ft. Ross. They re-named the harbor Port Romanzof.

When the otter catch declined and the Russians grew homesick for Sitka, subsequent colonizers preferred to honor the original Spanish discoverer. The name Bodega, meaning storehouse, more aptly describes the bay's role throughout nearly 200 years of catering to fishermen, small cargo vessels, and a recent procession of pleasure craft.

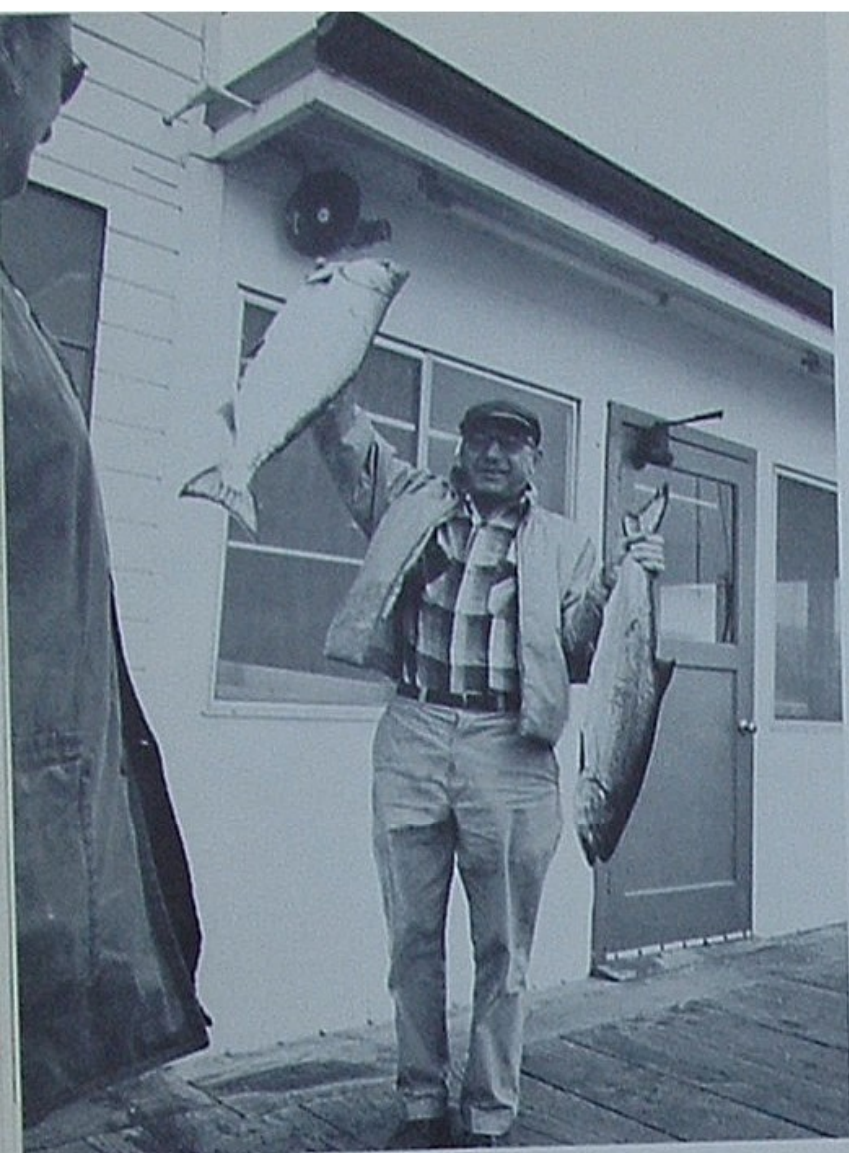
Who can say that any place is ever fully discovered?

When Mitch Zankich' mother and step-father, Ma and Pa Stiponov, took over a small restaurant on the bayshore about 15 years ago, they recognized that here were some good business opportunities—for young people. They urged Ma's two sons, Mitch and Andy, to visit Bodega Bay.

Mitch had started his business career as a San Pedro fisherman. He prospered for several years, then during a mishap at sea lost his \$75,000 fishing boat, and only by a miracle avoided losing his life. He started all over again, this time in the hotel and restaurant business at San Pedro. The invitation from Bodega Bay interested him principally as an opportunity to see his mother.

There was something about the place, he now recalls, that got under his fisherman's hide. Here was a beautiful natural harbor only an hour-and-a-half's drive from San Francisco. Around Bodega Head was some of the best sports and commercial fishing on the Pacific Coast. Close

continued



Salmon, fresh caught from the Pacific, are displayed for a prospective buyer by Emil Antonio, manager of the wharf.



Wanda Zankich, wife of the owner, runs the gift shop and motel so well that Mitch says, "She's the beauty and brains of business."

Zankich *continued*

inland was the great farming and industrial area of northern California. Why had such a place grown to only 500 permanent residents in 200 years?

"I came back four times," Mitch grinned, "before I made up my mind to stay. Now look. We've got four phones in the place and half the time they're ringing for me. The only place to rest is out on Bodega Head. From there a man can look out to sea and think about good fishing."

You can discount most of the Zankich remarks about Yugoslavian thrift but never was an enterpriser less idle. His amphibious foothold, labeled The Tides, is practically the sum of life on Bodega Bay:

If you're hungry for delicious sea food or a good steak, the place to stop on Highway No. 1 is The Tides restaurant. The cook, now that Ma and Pa Stiponov have nearly retired, is Mary Antonio, wife of Mitch's partner. Prettiest waitress in the place when high school is not in session is Linda Zankich, daughter.

Stop for a night's rest at The Tides Motel and you're almost certain to receive a pleasant welcome from hostess Wanda Zankich, wife of the owner and also manager of their Treasure Chest gift shop.

Motor out to the coast to buy fresh fish, or sail ashore to sell 'em, and you'll meet Mary's husband, Emil Antonio, former commercial fisherman and now partner-manager of The Tides wharf.

The *Finest* petroleum products of course are emblazoned here by big "76" target signs facing both highway and

channel. Union's products—gasolines, diesel fuel, lubricants, tires, and batteries—are handled through The Tides service station and a marine fueling and icing unit on the wharf.

The way Zankich describes his discovery of Union is worth quoting:

"John Grunewald, your big shot in San Francisco, stopped here in 1960. He didn't ask for the gas and oil business, he stole it. He said, 'Mitch, you're going to sell a lot of Union products here. What do you want to be, a consignee or a distributor?'

"I said, 'What's the difference?'

"He said, 'A consignee doesn't own the storage tanks or plant, so he doesn't make quite so much money. A distributor owns the whole business and makes the full profit on everything he sells.'

"I said, 'I'd rather be a distributor.' And, you know, that son-of-a-gun had me signed up before I knew what I was doing. I like that guy Grunewald. He must be part Yugoslav."

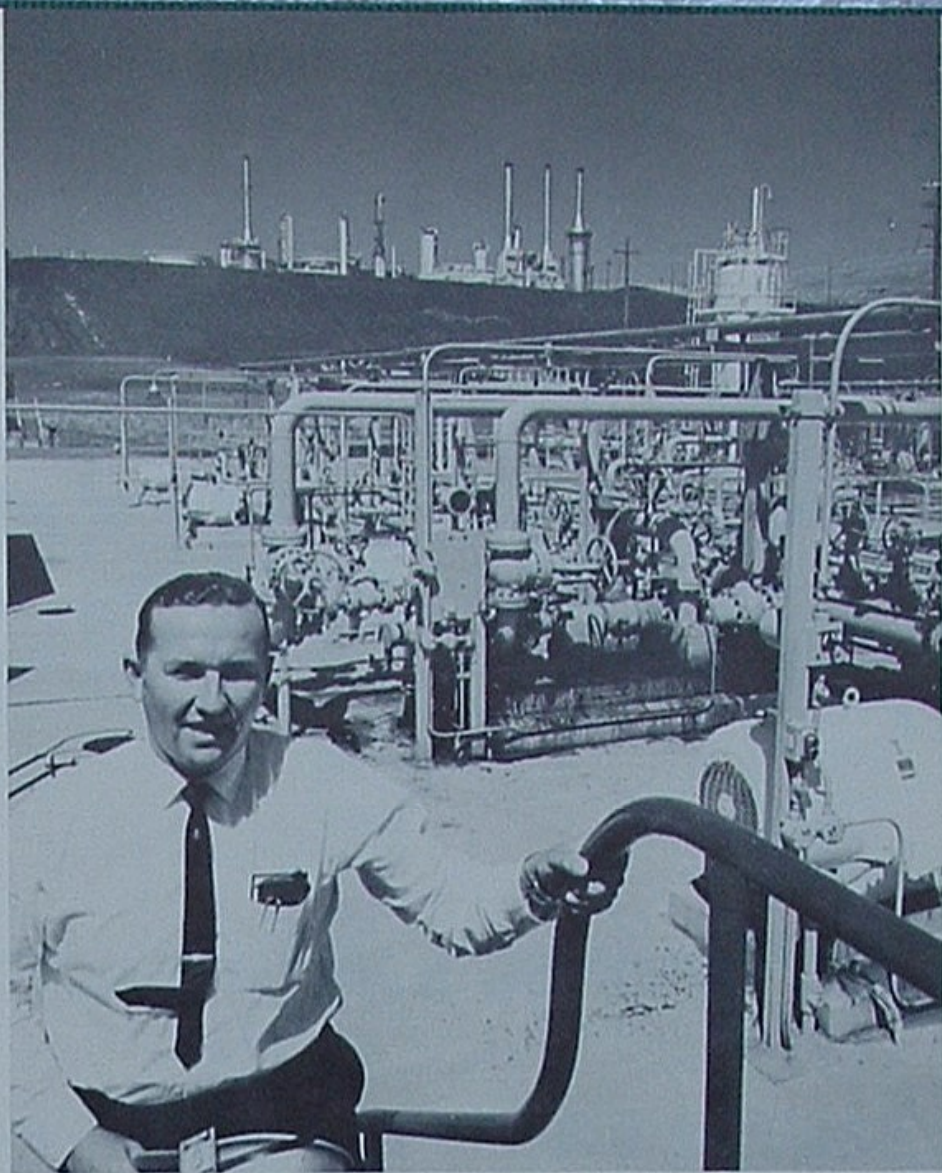
This afternoon, three years later, the discoverer No. 3 of Bodega Bay drove out to Bodega Head, perhaps to escape the telephones. Wistfully he gazed to sea where a hundred pleasure and fishing craft were trolling for salmon. Then he looked down into an immense excavation—basement of a big atomic energy plant now under construction. The project swarmed with earthmovers, tractors and trucks, one of which was a Zankich tanktruck supplying the job with Union diesel fuel and gasoline.

From that distance the bayshore seemed sparsely inhabited. The seed of its potential development was a brightly painted wharf toward which boats and automobiles were moving in two endless parades.

Mitch obviously wanted to be with the fishermen. But, like the dutiful Yugoslav that he grins about, he hurried back to The Tides.

THE END

Master of two professions



Dean Sandford, now an attorney, was a successful engineer at Oleum.

RODEO, CALIFORNIA

SINCE GRADUATING FROM University of Southern California in 1951, Dean Sandford has been a successful chemical engineer at Oleum Refinery. Recently he was transferred to quite a different post in the Patent Division at Union Oil Research Center—that of patent attorney. His mastery of two difficult professions is a story of extraordinary perseverance and hard work.

Looking back, Dean recalls he had no fault to find with being an engineer. Oleum kept him busy on a wide variety of technical assignments, all of them important and interesting. But, like most men, he began wondering how best to utilize his hours of free time each day. The idea of acquiring a law degree was challenging.

Sandford registered at the Golden Gate College in San Francisco in January, 1958. The course required three classroom sessions a week the year around. On school nights he drove from the refinery to his home in Concord, spent 15 minutes with his family, and hurried on to classes across the bay.

He estimates that the four years required to earn his law degree were divided daily into three equal slices—eight hours per day for Union Oil, eight hours for class work and study, and the remaining eight hours for commuting, meals, sleep, recreation and community service.

Don't imagine that Dean neglected his family or community during those four years. Much of his study time was spent in the back yard with a law book in one hand and a baseball glove on the other. His two sons developed into Little League ball players and "dad" served as president of one league and coach of another. A daughter, the Sandford's fifth child, arrived at the hospital just when

law books were costing the most money. The budding lawyer also served as vice president of the Central Contra Costa Republican Assembly.

To anyone who imagines a college degree is only for youngsters without family responsibilities, the case of Dean Sandford is an excellent rebuttal. He has earned two degrees, passed the State of California's bar examinations, and now faces a promising future as a lawyer-chemist for Union Oil.

THE END

Among those who encouraged him through law school were his wife and children, l-r, Debra, Mike, Linda, Pamela and Mark.



YOUR MISSING M^oN^e

Dollars deducted from your paycheck for the Incentive Plan

THE MONEY MISSING from your check because of the payroll deduction labeled "Incentive Plan" is busy money. It's buying you a piece of Union Oil Company and the right to share in its profits.

Other benefit plans deal with what may—or must—happen sometime in the future. The Incentive Plan is for right now, for a happier today, or, if you prefer, for a brighter tomorrow. It's a wide, tight, cash-green umbrella against a rainy day.

Saving to buy a new house or to pay for the first (or the fifth) baby or to send the children to college? That's what the Incentive Plan is for.

Looking for a way to make those leisure years ahead even more carefree? That's what the Incentive Plan is for.

Want to participate in the growth and earnings of your company—growth and earnings you help make possible? That's what the Incentive Plan is for.

Here, in question-and-answer form, is a resume of the high points of this unique plan.

Why is it called an "incentive" plan?

Because of the way Union Oil's contributions are determined.

In most stock purchase plans, the company contributes a flat sum, often 50 cents to the employee's dollar. In contrast, Union Oil contributes—subject to certain limitations—three per cent of its profits before income taxes. This method of determining the company's contribution is a strong incentive for employees to increase those profits.

Which method—flat sum or a per cent of profits—brings me the greatest return?

The flat sum system is safest; you get the same amount in

good times and bad. But under the Incentive Plan, while you share in the risks of ownership you also share in the higher profits that come with efficient operation. For an example:

The company contributions amounted to \$1.21 for each employee dollar in 1962, and \$1.24 for the first half of 1963.

During the nine years since the plan was started, employees have contributed \$14,129,114. The company has contributed \$10,241,936—that's 72 cents for each employee dollar.

As of June 30, 1963, Union Oil employees buying through the Incentive Plan owned 3.68 per cent of the company's outstanding stock. As a group, we're the company's second largest stockholder.

How much may I contribute to the plan each month?

Any amount in even dollars between a minimum of two per cent of your monthly earnings and a maximum of five per cent. You can change the amount of your contribution effective the first of any calendar quarter.

How does the plan operate?

Membership is, of course, voluntary.

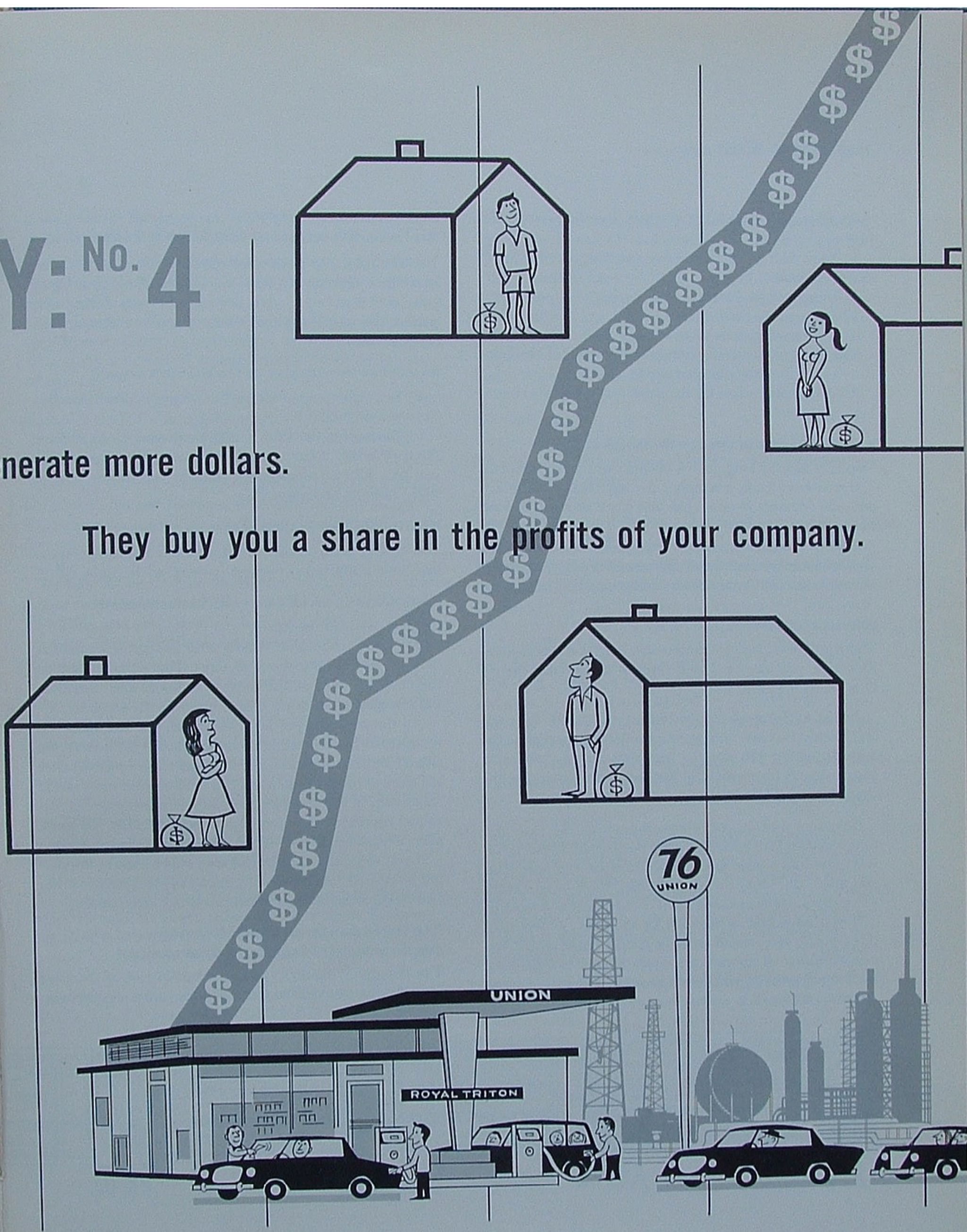
There are three parties involved in the plan: the employee-members, the company, and a trustee. Security First National Bank is the trustee.

Contributions from the members and the company go to the trustee. The trustee invests the contributions in shares of Union Oil stock. On most business days, shares are bought on the open market. The buying pattern—the number of shares to be bought each day—is determined before the beginning of each quarter. The pattern depends on the amount of money available.

Y. No. 4

enerate more dollars.

They buy you a share in the profits of your company.



YOUR MISSING MONEY *continued*

As an employee member you have four accounts in the plan:

- 1) Your cash account—money awaiting investment in shares of stock;
- 2) Your stock account;
- 3) An incentive cash account;
- 4) An incentive stock account.

The last two accounts contain the portion of the company's contributions allocated to you.

All dividends earned by the stock are credited to members' accounts.

Who owns the cash and stock in the various accounts?

Depends on how long you've been a member of the plan.

If you have been a member for less than three years, only the amounts in your cash and stock accounts belong to you.

After you have been a member for at least three years, you have a vested interest in the company's contribution—in your two incentive accounts. Everything belongs to you.

What about withdrawals from the plan?

There are two types of withdrawals: partial and complete. Assuming you have a vested interest in the plan, here's how the withdrawals work:

Partial withdrawal: You withdraw up to half the cash and shares in your four accounts. After a partial withdrawal, neither you nor the company can contribute to your accounts for six months. You can make a partial withdrawal every 24 months.

Complete withdrawal: You withdraw all the cash and shares in your four accounts. After a complete withdrawal, you must wait a year before you can rejoin the plan. And you must contribute for an additional three years before you again own the cash and stock in the incentive accounts.

If you have been a member of the plan for less than three years, you cannot make a partial withdrawal. You can withdraw all the cash and stock in your two personal accounts. However, you forfeit the cash and stock in your incentive accounts.

What if I run short of money?

May I voluntarily suspend my contribution to the plan?

Yes. You may stop paying into the plan for a period of at least three months but not longer than 12 months. Company contributions to your account also stop during that period. You may make such a suspension once during each calendar year.

If I withdraw from the plan, do I receive stock or cash?

1) You will receive whatever uninvested cash remains in your accounts;

2) You may either take possession of your stock or have the trustee buy it from you. If the trustee buys your stock, you pay only a federal stock transfer tax—a few cents a share—but no brokerage fee.

If the trustee buys my stock, what price will he pay for it?

The closing price on the New York Stock Exchange on the day your withdrawal request is received in home office.

How long does it take to get a withdrawal settlement?

Depends on your timing.

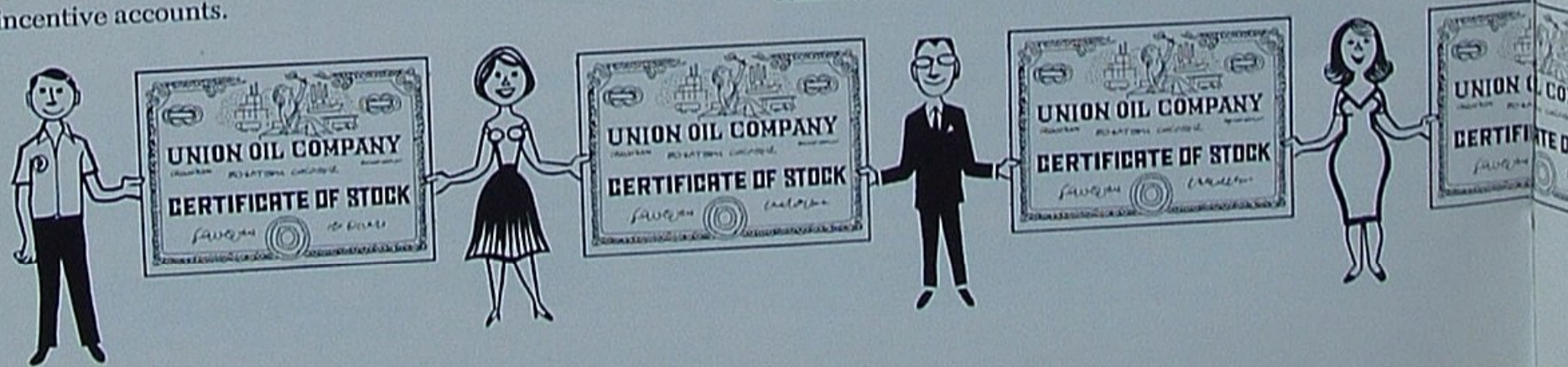
If you make a request shortly after the end of a calendar quarter, it will take about 45 days. That's the amount of time needed to close the company's books and distribute the company's quarterly contribution to the accounts.

(In the case of a partial withdrawal, you can speed up the process by requesting no more than 50 per cent of the share balances shown on the statement you received after the close of the *prior* quarter. That will be your most recent statement. In the case of a complete withdrawal, your personnel representative may also be able to help you get a part of your settlement in less than the 45-day average.)

If you request a withdrawal after this bookkeeping period is finished, you'll probably get a cash settlement within two weeks or a stock settlement in about three weeks.

If I withdraw from the plan before becoming vested, who gets the cash and shares in my incentive accounts?

The remaining members of the plan. No part of the trust fund can be returned to the company under any circumstances.



Is the Incentive Plan in any way related to the Retirement Plan?

Definitely not—although many people do look forward to using the Incentive Plan as a means of augmenting their retirement income.

The Incentive Plan is a *savings* plan. That's why it has such liberal withdrawal privileges, as liberal as the law allows. It's a means of saving for retirement or for any other need.

Here are two examples of how savings accumulate. The examples are based on the financial standing of the Incentive Plan as of June 30, 1963—the latest figures available when we went to press.

Let's say you're a young employee who had been a member of the plan just three years on June 30. Your salary is \$425 a month. Instead of contributing the maximum, a full five per cent of your salary, you could afford only \$12 a month.

By June 30, you'd have contributed \$432. The company would have contributed \$476, you'd have received \$66 in dividends, and you'd own 15 shares of Union Oil stock. It happens, there'd also be a cash balance of \$138 awaiting investment.

(Realize: All this is *your* money and *your* stock: after three years as a member, you have a vested interest in the company-contributed incentive accounts.)

If you'd been able to afford five per cent of your salary, \$21 a month, you'd have contributed \$756, the company would have contributed \$833, you'd have received \$122 in dividends—and you'd own 28 shares of stock plus \$136 awaiting investment.

As for the employee who's been in the plan since its beginning, here's an actual case history.

The employee was earning \$484 a month on July 1, 1954, the date the plan started. He joined immediately. Over the years, through incentive raises and promotions, his salary has climbed to \$710 a month. He's contributed five per cent of his salary the entire time and he's made no withdrawals.

During his nine years in the plan he has contributed \$3,180. The company has contributed \$2,477. Dividends

have amounted to \$1,245 plus six shares of stock. So on June 30, he owned 136 shares of Union Oil stock plus the amount awaiting investment, \$186.

The *worth* of his stock today—and of the stock in the other example—depends, of course, on its market price. But because of the effect of the company's contribution, withdrawal of other members, and of dividends, the average *cost* per share to present members of all the shares in their accounts on June 30 was only \$27.10.

May I vote my stock?

Yes—you may and you should. As the Incentive Plan grows, the weight of the employee-shareholder vote becomes increasingly important.

How about the federal income tax situation?

There are tax advantages to you as a member of the plan. However, we can't be specific about the amount of federal tax you'll pay if you make a withdrawal. The tax depends on the size of your withdrawal, whether you hold your stock or sell it, and so on. State taxes vary from state to state.

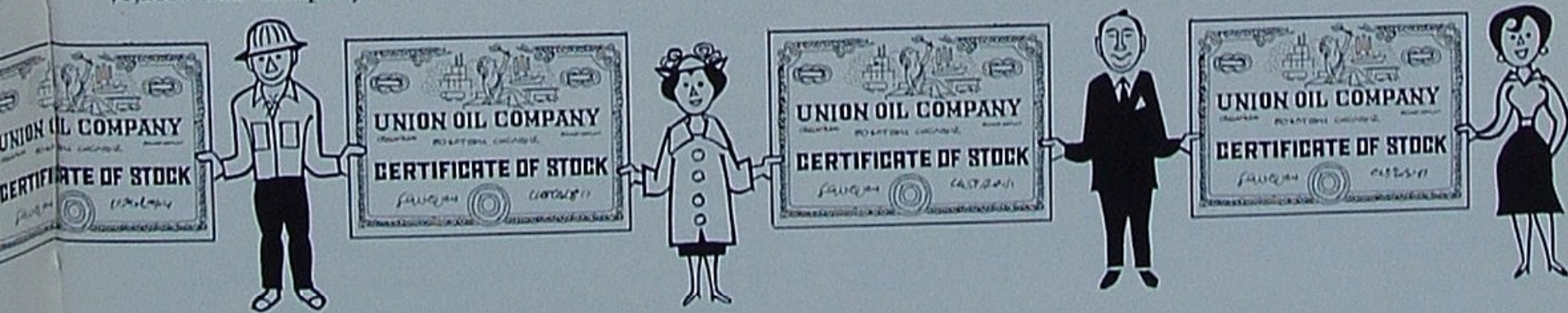
Generally speaking: (1) You are not subject to income tax until you make a withdrawal; (2) if you withdraw while still employed, you will pay any income tax on the ordinary income basis; and (3) if you withdraw at termination of service or retirement, you get the benefit of long term capital gains treatment.

An instruction sheet with examples of the proper tax handling is given those who make either a partial or complete withdrawal from the plan. This sheet covers most of the contingencies.

Short-term savings, long-term savings, an incentive to increase efficiency and teamwork, an opportunity to participate in your company's growth and earnings: the Incentive Plan serves all these purposes. The deduction that takes the dollars from your paycheck because of this plan is certainly one of the pleasantest and most profitable deductions of all.

THE END

(Next month, we'll cover in detail the group of plans that protect your income during periods of illness or injury.)



DEAR GEORGE: YOU OUGHT TO HEAR...

What our customers

HIS NAME REALLY ISN'T GEORGE, but I'll call him that just to avoid injuring an old friendship.

George and I grew up together. We raised our "Cain" in the Roaring Twenties—when bell-bottom trousers were in vogue—Dempsey and Tunney were at war—flapper girls said, "I'll tell the world!" while dancing a terrific Charleston up in the local ballroom—and every young man aspired to own a Packard.

We've mellowed with the years. But we're still friends and neighbors. We attend the same church, like the same sports, shudder at the thought of American freedom going down the drain.

Yet, George and I differ in one important respect. In the Twenties neither of us would use anything but an eastern motor oil in our Model T's, Chevy coupes or the flashy Buick Master Six roadster I used to drive. Of course, when I came to work for Union Oil in the Thirties, I loyally switched my new Model A to a steady lubrication diet of Triton. And since Royal Triton came on the scene, you couldn't bribe a car of mine to run on anything else.

Not so George. He still cherishes his old Homburg hat and a passion for eastern oil. I have talked and urged and debated and pleaded. I have exposed him to one of the foremost lubrication scientists in the business. I've taken him through our Research Center and said "How could minds and facilities like these be satisfied with anything but the best?" I've proved to him on paper that my cars, on Royal Triton, run longer, better, more economically than his do on eastern oil.

But George just looks out the window, blames everything on his fast driving, and says, "Look, man, at the size of my Union Oil bill. I use nothing else but 76 gasoline. Your service and grease jobs and people and plants are wonderful. But please don't try to change my mind about eastern motor oil."

Okey, George, have it your way. Go on using that oil; it has to be pretty good these days just to stay in business. Besides, it's probably fortified with Union Oil additives anyway. Go on wearing that Homburg hat too. But listen to this:

The other day in our office mail came three interesting pieces of correspondence—examples of many that come to us from the supreme judges of quality—our customers.

The first is a photograph and note from one of Union's retired employees, Arthur Mackenzie, to Vice President Fred Hartley. Wrote Arthur:

"Dear Fred: — Congratulations on the striking new 76

credit card. Our 1950 Pontiac, which we use for running errands while warming up the Jaguar, recently turned 76,000 miles, and I made a picture of the speedometer, complete with old design credit card. Since the former owner—and original purchaser of the Pontiac—was none other than your distinguished associate "Woody" Hiatt, it seems safe to assume that the car went every mile of the 76,000 on Union products—and it looks good for another 76,000 miles."

Here, George, is one that's even more impressive. The writer, Mr. Rex A. Harrington of Los Angeles, volunteered his comments:

"Gentlemen: I believe that the Union Oil Company might be interested in the performance of my 1956 Oldsmobile. I bought the car new in September of 1956, and during the life of the car it has been serviced entirely with Union Oil products. At the present time the speedometer reading is 102,526 miles. I change oil about every 1500 miles and to date the head has not been removed from the engine. I have never had to add oil in between changes. On trips I still get 16½ to 17 miles per gallon. Needless to say, I am extremely happy with the results obtained by using only Union Oil products.

"The above facts can be verified by Mr. John Edwards, Union Oil dealer at 8755 West Third Street, Los Angeles. He has done all of my lube jobs since I bought the car. I feel that Mr. Edwards should receive much of the credit for taking such good care of my car. I told him to always take care of anything that needed attention and I am sure that his conscientious attention to small details has saved me expensive repairs."

Don't go away, George. Here's a letter about a Packard you'll really enjoy. It's written by a woman, Mrs. Alice L. Kelley of Highland, California:

"Dear Sirs: — Some months back, I got rather put-out—irate—at one of your service station attendants. Then about the same time, my bill got lost. This seemed to be the end of our friendship. So I started using another well known brand. We have several credit cards from various companies.

"Well, the old 1948 Packard I drive has been so used to Union Oil it started acting up—slow starting—using too much gas—heating up—no pickup. After trying tuneups, new plugs, etc., I thought, O dear, guess I shall have to buy a new car. After checking back on past performance, I decided to swallow my pride and go back to dear old Union Oil.

SEVENTY-SIX

are saying

ABOUT THE FINEST PRODUCTS

"Well, I hate to admit it, but the old Packard is running just fine. I get 13 to 15 miles to the gallon around town. As you can see if you check, I never buy oil between changes.

"That isn't bad after 230,000 miles! What a car! What products!

"But some of the help is still pretty lousy."

George, I just couldn't resist driving out to Highland, California, to meet Mrs. Kelley, the writer of this letter—and to see that old Packard car. Enroute, the photographer and I speculated as to whether the lady, the car and the mileage figure were genuine. At a real estate office where we stopped to ask directions, the realtor said, "I know those people and their old Packard car well. You can bank on every word they said. They're solid citizens."

At their home address, labeled "No Peddlers" and "Beware of the Dogs," Mrs. Kelley met us at the gate with two of the friendliest French poodles you ever saw. As soon as we mentioned Union Oil Company, she said: "I know why you're here," and pointed to the old white Packard standing in the drive beside her door.

"What did our dealer do to make you irate?" was one of the first questions I asked her.

"I suspicioned he was short-sticking the crankcase," she fired right back.

"Short-sticking?"

"Yes, you know, holding the oil stick so it makes the oil level look a quart or so low. I overlooked it the first time, but the second time it happened I got sore. I knew that Packard didn't burn oil. But that guy is gone now; I get along just fine with the new dealer."

"Your letter said the Packard had traveled 230,000 miles. Is that about correct?"

"It's up to 236,000 now," she said. "Of course the speedometer reads only 36,000, but half the people in town here will verify the other 200,000. I drove most of the miles myself. My husband's a railroad man and drives his own Chevrolet. But my two children, before they were married, learned to drive in this car. You know how rough kids are, especially a boy, on automobiles.

"How much mechanical work in all those miles?" we pursued.

"Only one major overhaul," was Mrs. Kelley's reply. "At 150,000 miles the car had new bearings and new pistons. We've changed the points and plugs several times. That's all. And it runs just about as good as the day I bought it—second hand—at 30,000 miles."

"How often do you change oil?"



Mrs. Alice L. Kelley lifted the dipstick to prove that her 1948 Packard, after 236,000 miles of operation on Royal Triton motor oil, requires no oil between changes and "is running fine."

She lifted the hood and we saw a Royal Triton 20 label attached to the oil breather cap. She reached down and pulled up the oil bayonet. "See," she said, "that oil's right up to the full mark. I never change it till it loses that purple color and gets pretty dirty."

"You seem to know quite a bit about an engine," we exclaimed frankly.

"I ought to," she smiled. "During the war when mechanics were so hard to find, I learned the trade. I specialized in carburetors, but when you work around a garage a few years, you get pretty well acquainted with the whole business. At least, nobody's going to sell me oil if I don't need it."

"And if you do need it, it's going to be Royal Triton 20," we suggested.

"You can say that again!" smiled Alice Kelley.

So, George, it's just like we've been saying all these years—the *Finest* products really are the finest. Our motor oils, for example come from the highest quality paraffin-base crude available anywhere. Top research men not only formulated the oil and its additives, but they gave it every lab and road test under the sun. Not a day passes but what teams of experts work to guard the quality of this oil and, if possible, find even more effective additives. Our oil refining and blending equipment is second to none. Our marketing and service guarantees put the full lubrication responsibility on Union Oil shoulders. Our advertising, I feel, is almost too subdued. Now, even the customers are cheering.

George, do your car and yourself a favor. Try our premium motor oils. They're really the *Finest*. THE END

Business



Highlights



AIM FOR FAME WINNERS POCKET MIDYEAR AWARDS

What's the best way to increase sales of lubricating oils? Most salesmen agree on the principles, but apparently no two persons agree on details. Some methods work for one man, fail for the next.

At the beginning of this year, the company announced an AIM FOR FAME contest designed to boost lube oil sales. Cash prizes were promised to those who produced the biggest gain over pre-established quotas. The contest is open to three categories: (1) salesman, (2) sales supervisors and commercial sales supervisors, and (3) resident sales managers. To equalize competition, each category has three winners, depending upon sales volume.

Here are the nine top winners of \$500 mid-year prizes, and the tried-and-tested methods they used to boost lube oil sales.

SALES MANAGERS

In Vancouver, Washington, first thing Resident Sales Manager C. D. Bartholomaeus did was consult his

file cabinet. Armed with an analysis of his marketing territory, he took three steps: to "reactivate old accounts," sell a "full line of Union products" to current accounts, and "acquire new accounts."

J. B. Kaye, RSM in Sacramento, California, was more specific about his prospecting. "We listed the ten largest competitive gasoline, diesel, lube oil, and grease customers in each field," he said. His idea was to concentrate on these accounts, a plan that paid off.

Bakersfield RSM J. E. Campbell also hit the books and discovered his large volume purchasers were truckers and industrial accounts. "For the past six months," he said, "we have contacted more of these potential accounts than have our competitors."

SALES SUPERVISORS

Among the winning sales supervisors and commercial sales supervisors, Arthur G. Crocker of Colton, California, agreed with RSM's when it came to analyzing sales records. His search emphasized the "large volume user," and "accounts showing growth potential."

In Phoenix, Arizona, Sales Supervisor Elmer E. Edwards was credited with doing "nothing special" other than an "all-around good job." Said a co-worker, "There wasn't one instance of sales to a contractor or other temporary type customer."

Sales Supervisor Maurice L. Crowe of Portland, Oregon, went out to win new customers. Said he, "I researched my field to seek out every key oil account served by competition." Then he got busy "firing up consignees' go-get-em approach. We hit the ole bull's-eye every month."

SALESMEN

Winning salesmen emphasized the face-to-face approach. M. G. (Marty) Ekberg of south Los Angeles was credited with a "consistently fine application of the principle of knocking on doors and talking to the right people." It worked; his January lube oil sales of 3,400 gallons went up by June to 10,500 gallons.

Leslie W. Brown of Portland tightened up his call schedule, studied up on what the competition was doing and emphasized the "product quality story."

In the Los Angeles-north marketing station, John L. Campagne aimed for fame by aiming at large bulk-storage trucking accounts. His aim was good and he acquired four—"from the competition." Once a customer was won, his philosophy was to "keep the tanks full of lube oil—it keeps the competition out."

In addition to the \$500 prize winners, there were three mid-year second prizes of \$200 each in the sales supervisor and commercial sales supervisor category. Prizes went to

C. D. BARTHOLOMAEUS
Vancouver, Washington



J. B. KAYE
Sacramento



J. E. CAMPBELL
Bakersfield



ARTHUR G. CROCKER
Colton, California



ELMER E. EDWARDS
Phoenix



E. W. Bollinger of Elko, Nevada; J. R. Kirkland of Spokane, Washington, and C. H. Ayers of Las Vegas, Nevada.

In the salesmen category, there were three second prizes, and a trio of third prizes. Second prize winners of \$200 each were E. L. Murphy of Sacramento, R. R. Jarrett of San Francisco, and W. J. Kirby of Coos Bay, Oregon. Third prize winners of \$100 each were J. D. Hampton of Colton, California; D. F. Keating of Eureka, California, and Howard Huenergardt of Oakland, California.

The AIM FOR FAME contest continues throughout 1963, with monthly winners and a king-size set of year-end prizes that include nine \$1,000 awards, six \$500 bonuses and three \$200 prizes.

OUR SALE OF CONDENSATE IS BIG REVENUE PRODUCER

If you're not in the Exploration and Production Division, chances are you aren't aware of the importance of natural gas. Although sold wholesale, natural gas is a mighty big revenue producer. During the first half of the year, our natural gas production exceeded half a billion cubic feet a day. That's more than three times our natural gas output seven years ago.

Perhaps even less appreciated as a revenue producer is the condensate produced along with this natural gas. Condensate is usually of 45 to 55 degrees gravity, and it is sold at a price close to the highest crude oil price in the field. Our net production of condensate during the first half of 1963 averaged more than 11,000 bar-



As the supertanker superseded the tanker, so does the super tank car appear to be superseding the regular railway tank car. Here is one of five new 20,000 gallon super tank cars recently delivered to Union's 300-car rail tanker fleet. The five, with twice the capacity of older tank cars, deliver asphalt from Los Angeles Refinery to Arizona. Giving the scene the once over are Ralph Young, tank car analyst at Union Oil Center; Bill Davis, shipping foreman at Los Angeles Refinery; and John P. Ennis, traffic supervisor at UOC.

rels a day—a fivefold increase over 1956.

Condensate is separated from the natural gas at field production facilities. As would be expected, the major contributors to condensate production are our prolific gas fields in southern Louisiana, part of our Gulf Division. Top producers include the onshore fields at East Lake Palourde, Lake Pagie, Caillou Island and Tigre Lagoon. In the offshore areas of southern Louisiana, Vermilion Block 14 field is one of the major contributors of condensate.

Next time you hear someone talking about condensate, think about those 11,000 barrels a day of revenue-producing output.

'POLAR' COMPANIES TO WORK ON LIQUID METHANE SALES

For a long time, we have talked about liquefying methane—lightest component of natural gas—for shipment overseas by tanker. There were two problems to overcome: (1) building tankers capable of carrying lique-

fied methane at minus 259 degrees (F), and (2) finding a market.

Two companies have been formed by Union Oil and Marathon Oil to try to solve these problems. One of the companies is called Polar LMG Corporation, which aims at building a plant to liquefy methane gas from the Union-Marathon field on Kenai Peninsula, about 65 miles south of Anchorage, Alaska. This company would also hold any basic contract for the sale of liquefied methane.

The other company, Polar LMG Shipping Company, S.A., would oversee design and construction of tankships and operate them under contract to Polar LMG. Tankship designs are under study by Polar LMG Shipping. Sizes of the vessels for transporting the liquefied methane would be from 28,000 to 37,000 deadweight tons. The seagoing methane carrier's tanks would have to be heavily insulated, of course.

General manager of Polar LMG is L. P. Foote, natural gas manager of Marathon. C. E. Smith, natural gas

continued

MAURICE L. CROWE
Portland



M. G. EKBERG
Los Angeles—south



LESLIE W. BROWN
Portland



JOHN L. CAMPAGNE
Los Angeles—north



AIM
FOR
FAME
WINNERS

Business Highlights *continued*

and gasoline department manager at Union, is general manager of Polar LMG Shipping.

Creation of the two companies came after it was revealed that negotiations for the sale of liquefied methane gas had been underway for two years between Union-Marathon and a prospective customer, Tokyo Gas Company.

The Kenai Field, with substantial natural gas reserves, was discovered in a joint venture by Union and Marathon in 1959.

SPORTS CAR MOTOR OILS: DETERGENTS ARE NEEDED

Union Oil Company has in recent months introduced a new product, called Union Sports Car Motor Oil, designed especially for the needs of the sports car enthusiast. Here's why.

Ten years ago practically every sports car in America was imported from Europe. The European manufacturers had to write up their owner manuals based on products readily available in Europe at that time. Since detergent oils were a rarity in Europe, auto manufacturers could hardly recommend compounded, detergent oils.

That's all changed today. Now these modern oils are available throughout the world — including Europe. So foreign car makers, like American manufacturers, now recommend detergent motor oils.

Despite this, a myth persists among many American sports car owners, mechanics, and dealers that sports cars "require" a non-detergent motor oil.

Since this is bunko, let's look at what a sports car motor oil should do. To find out, let's see how a sports car driver operates his vehicle. The chances are that during the week he drives his car much like any other motorist — to work, the store, the bank, and the bowling alley. On weekends, however, the sports car enthusiast is out on the open highway, putting hard-driving miles on the car.

Thus the motor oil should meet two tests: (1) that of short-trip, stop-and-go driving, and (2) that of high-speed, high-temperature, wide-open throttle driving. This means that only a motor oil matching up to both the requirements for short trip *and* high speed driving should be used. One way you can tell if an oil will meet these tests is if it passes the MS

(motor severe) tests. Here's the tip-off. These tests can be passed only by a detergent oil. Non-detergent oils fail the MS engine tests. Think about that next time you change the oil in your sports car.

Just for the record, Triton, Royal Triton, Royal Triton 10-30 and Union Sports Car Motor Oil all pass the MS sequence.

NEW '76' SPHERE SIGNS WERE CHALLENGE TO OUR DESIGNERS

Have you seen the beautiful new "76" sphere signs now appearing at some of our service stations? Like any quality product, these spheres didn't just happen.

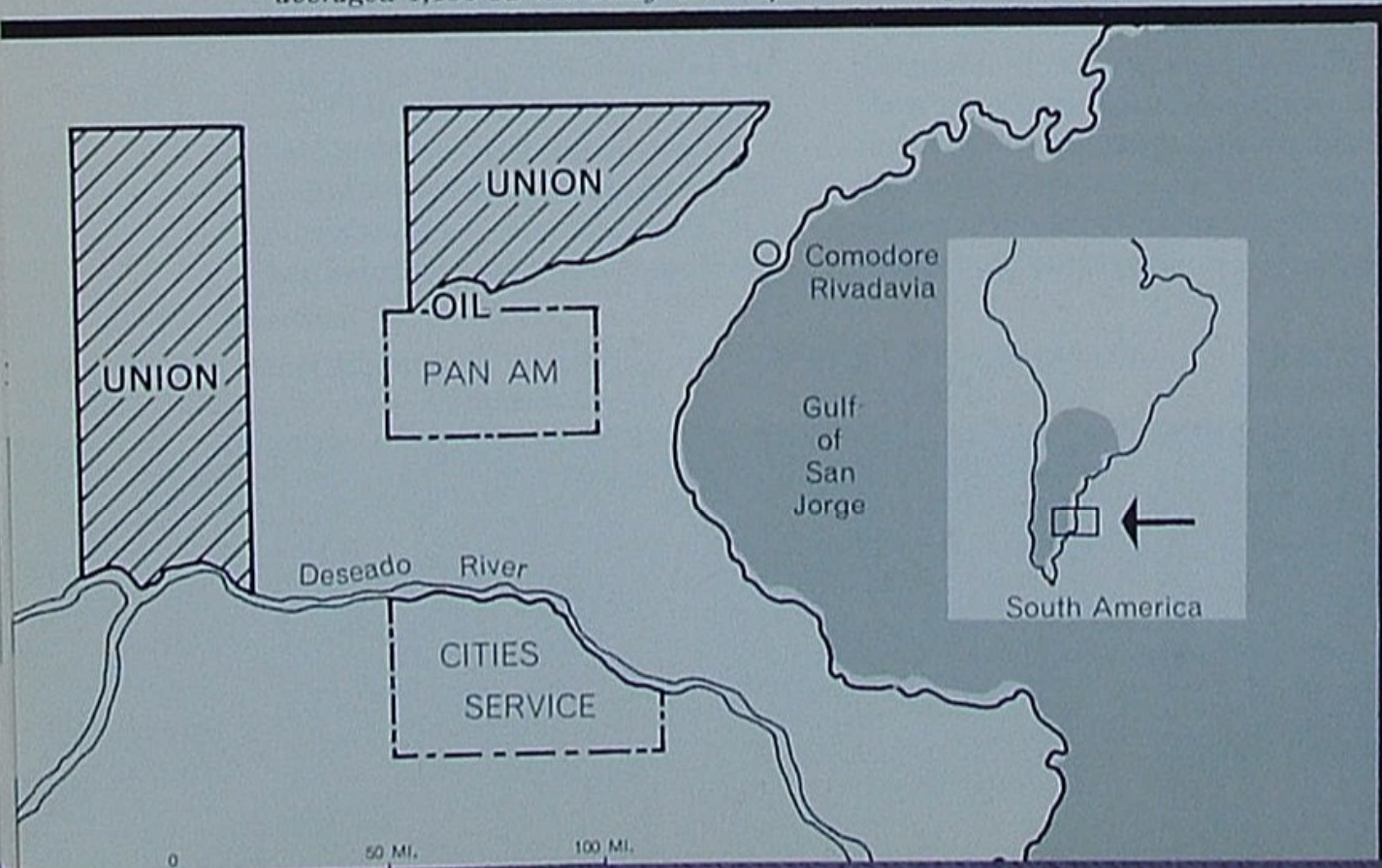
Years ago, a few externally illuminated "76" spheres made of metal were tried out, but high costs and operating difficulties kept them from catching on. Last year plexiglas spheres were required for the 76 Skyride at the Seattle World's Fair. The manufacturer's success in this venture revived our dream of some day having a workable revolving, internally illuminated "76" sphere sign.

The manufacturer's first "76" sphere prototype was encouraging, but its construction included an objectionable vertical metal band joining the two halves. The solution to this problem was a tapered interlocking seam that gave us a joint with minimum light variation.

Since the plexiglas sheets are transformed into half spheres by vacuum forming, the artwork was the next big hurdle. We wanted the high quality afforded by the silk screen method, but this process is only done on flat surfaces. To merely silk screen our "76" on a flat plexiglas sheet before forming would be similar to putting it on a balloon before inflating.

The answer was to come up with a highly distorted "76" calculated on the various stretch factors that would end up a perfect "76" after forming. If this weren't complicated enough, it was even necessary to vary the color intensity on the insignia so that there would be no color variation after forming. Incidentally, the manufacturer's search for silk of the

In June, foreign crude oil production outside the northern hemisphere entered the Union Oil picture for the first time. It came, not in Australia where the Moonie Field won't begin producing until next year, but in Argentina. Twenty wells have been drilled in the Las Flores Field, Argentina, by Cabeen Exploration Company. Union holds a fifty per cent interest in the field. Deliveries of oil from the field during August averaged 4,400 barrels a day. Development drilling is continuing.



AID TO EDUCATION PROGRAM BRINGS WARM RESPONSE

Employees have given a warm welcome to the Union Oil Company of California Foundation's offer to match their personal contributions to privately financed colleges and universities, according to foundation executives.

Although the foundation's "Program for Individual Aid to Education" was announced only five months ago, many employees throughout the company are already participating in it.

Senior Vice President A. C. Stewart, who is also president of the foundation, explains the purpose of the program this way:

"Our objective is to help broaden the base from which colleges draw their financial support. We feel the best way to achieve that objective is to encourage employees to make contributions by doubling the effectiveness of their individual gifts."

Nearly every private institution of higher learning must depend on endowments, bequests, and contributions from alumni and friends. This is because the tuition which students pay never covers the full cost of their education.

Conditions under which the foundation will match employee contributions are these:

First, you must be employed by

Union Oil or one of its subsidiaries (retirees are ineligible). You need not be an alumnus of the college, nor even have attended it.

Second, your gift must be an actual contribution, either in money or in securities with a market value.

Third, the company will match individual contributions of not less than \$10 or more than \$500 per employee in any one calendar year. As long as your contributions are within that range, they may be divided among any number of schools.

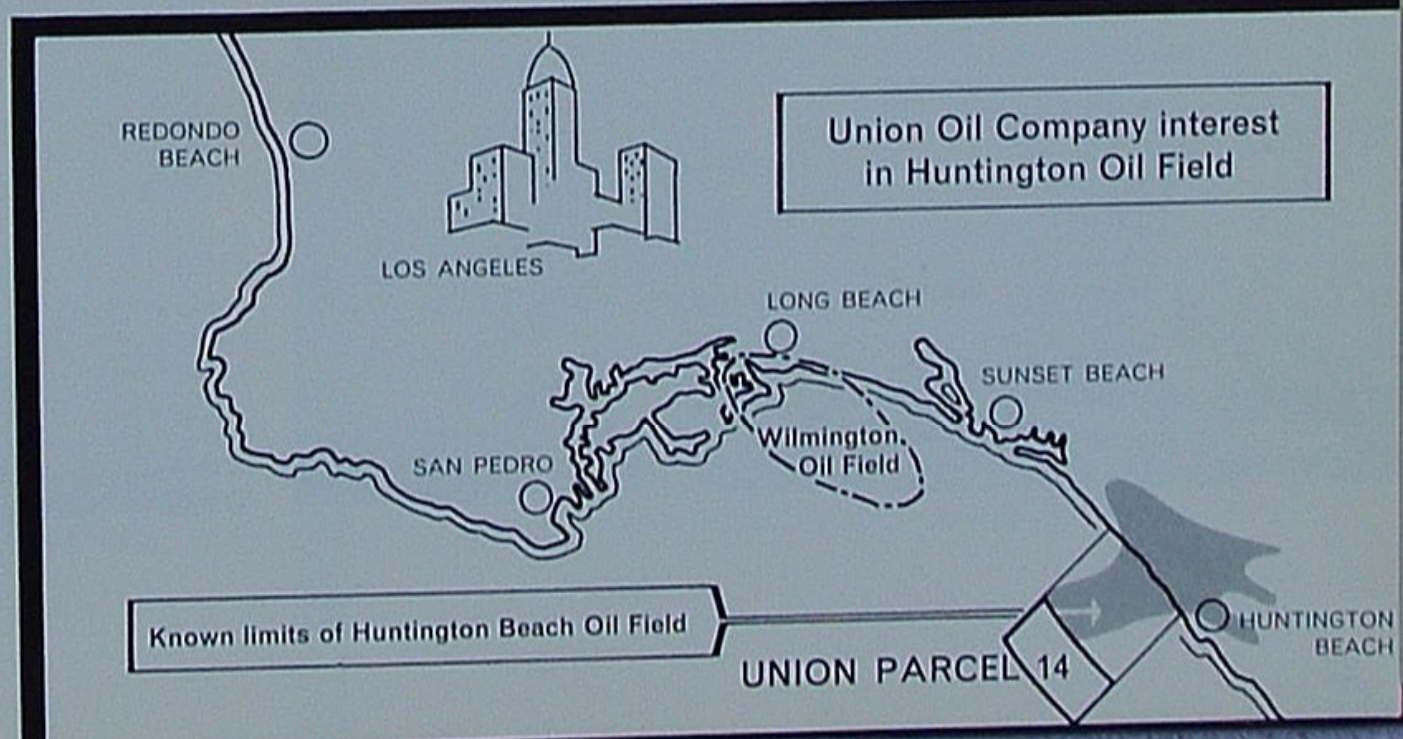
Fourth, the institution to which you make the gift must:

- be an accredited degree granting institution of higher learning;
- be located in one of the 50 states or the District of Columbia;
- be qualified as tax-exempt by the Internal Revenue Service; and
- receive the major portion of its income from private sources.

Federal or state-supported institutions were excluded because such schools already receive heavy support from both the company and its employees through the various taxes they pay. For example, it is estimated nearly \$200,000 of Union Oil Company's 1962-63 tax payments in California will be allocated to the University of California and to the state colleges.

Forms are available from the Secretary's Department at Union Oil Center. THE END

The first well drilled by the company on its 2,113-acre California State lease (Parcel 14) offshore from Huntington Beach, California, gives every indication of being an excellent producer. The well, State 1-14, was drilled to 7,632 feet and penetrated several hundred feet of oil-saturated sand. Union Oil paid \$6,110,000 bonus for the block last July 25. Parcel 14 extends from a point two miles offshore to the three mile limit.



desired width for the screening process ended in Italy.

Once the sphere met our aesthetic standards, we still had to get it up there and revolve it. Furthermore, we wanted it to operate with a minimum of maintenance. Normally, revolving signs employ a complicated arrangement of reduction gears and turntables. While this mechanism usually gets the job done, maintenance costs can sometimes be excessive, especially when you are concerned with a contraption that is thirty feet high. In short, we wanted a revolving mechanism that was both simple and dependable.

The manufacturer's engineers, in consultation with our sign experts, went to the drawing boards, and came up with a new concept in simple revolving devices. The whole mechanism is enclosed by an attractive spun aluminum disc, carefully designed to give a smooth transition from pole to sphere.

The next time you are fascinated watching the sign with a "76" on it, remember, it took a lot of hard work to put it up there.





**IN
FOCUS**



A pitching career that began for Jerry Martin at Fresno State College was struck out by an injury while playing with the Cincinnati Reds. Jerry then trailed his father into the oil business, and today is a tank truck salesman in Stockton. Jerry's love for baseball led him to manage the E. D. Blakley-Sam Hancock District Babe Ruth team in Modesto. After taking the city title, he won the right to manage the Modesto all-star Nationals, who were edged out for the district title in the final game. Jerry (left) poses with his all stars.

Consignee Don Bretthauer's "Spirit of 76" float carried off Grand Sweepstakes honors in the Fourth of July Happy Days parade at Hillsboro, Oregon. Standing on a cloud-of-the-past were drum player Andy Bretthauer, fife player Wayne Glover, and flag bearer Doug Carothers. Don is the son of Fred Bretthauer, who retired from Union in March, 1961, with 33 years service.



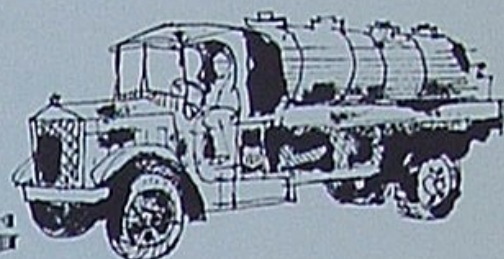
Because fewer than ten per cent of those who attempt the two-day long examination for appointment as a certified professional secretary (CPS) master all six tests on their first try, success calls for a celebration. When Marion Drake, secretary to Medical Director Richard Call, M.D., passed the National Secretaries Association-sponsored exams, her friends in home office treated her to a ceremonial luncheon at the Thistle Inn in Glendale. Marion was seated between Annette Monahan and Ethel Farnsworth.



Right-hander Walt Peterson (above left) and first baseman Gary Holman (below right) combined their talents in June to keep the College World Series championship title at the University of Southern California, its home for four years. Peterson's seven-hit pitching and Holman's two-run homer in the fifth sewed up the championship for the Trojans at Omaha Municipal Stadium, and thwarted Arizona's third bid for the crown. Later both players were named to the CWS All-Star team. Posing with their dads were hurler Peterson, son of Walter Peterson of Los Angeles Refinery (above), and Gary, son of Elmer Holman of Research Center.



OCTOBER 1963



TURNING BACK THE PAGES

(40 YEARS AGO THIS MONTH)

Highlights from the Union Oil Bulletin, the granddaddy of Seventy-Six magazine, for October, 1923.

• • •

Within three months, Honolulu will be equipped with a series of service stations built and operated by Union Oil Company. Their completion will offer a service that has not hitherto been available to motorists on the island, and also gives to Union Oil the honor of being the first of several large oil companies doing business in Hawaii to establish service stations.

• • •

The passing of Lyman Stewart, chairman of the board of directors, has deprived the organization of one of its ablest executives, the community of a splendid citizen, and the petroleum industry of a great friend and leader.

• • •

Prices for crude oil at the well in Southern California suffered a sharp decline during the month. The reductions were based upon the specific gravity, and ranged from two cents to twenty-eight cents. For example, 25 degree gravity oil was cut from 74 cents a barrel to 66 cents. And 35 degree gravity crude was slashed for \$1.04 a barrel to 76 cents.

• • •

A two-cent tax on gasoline became effective in California on October 1, and as a result the price of gasoline was increased two cents at all filling stations in the state.

• • •

REFINED AND CRUDE: Truth lies at the bottom of oil wells. Promoters lie at the top.

• • •

Success comes in cans. Failure comes in can'ts.



AWARDS

Even though Sidney D. Herkner of Redwood City, California, retired as consignee in 1957, he has been a busy man. A member of the Redwood City Council since 1950, and a former mayor of that city, he was instrumental in checking Redwood City's smog problem. Recently he took on a new task as a member of the San Francisco Bay Area Air Pollution Control District. A local newspaper had this to say in an editorial: "The smog board is to be commended upon getting a man of Herkner's caliber to serve." Herkner joined Union in 1908 as a clerk, worked up to division manager in San Francisco, and in 1941 became a consignee.



REFINING & MARKETING

October 1963

40 YEARS

GERALD FITZGERALD Oleum Refinery

35 YEARS

WALTER C. COLES Oleum Refinery
 EDWARD R. GREAVES Santa Fe Springs, California
 AMOS J. SCHONEMAN San Diego, California
 R. M. SHAFFSTALL Union Oil Center

30 YEARS

LLOYD E. ADAMS Union Oil Center
 DONALD M. DAVIDSON Edmonds, Washington
 RALPH WM. FRIEND Los Angeles
 ARTHUR O. HILL Torrance, California
 EDWARD G. REED San Diego, California

25 YEARS

WALTER C. ERICKSON Richmond, California
 IKE E. STEVENS Oleum Refinery

20 YEARS

MARTIN BARRAD Los Angeles Refinery

LORIN R. BOWMAN Los Angeles Refinery
 LUCILLE M. HANER Portland
 FRANK M. HENNESSY Orange, California
 MELVIN L. LUND Los Angeles
 VERNON HAROLD NUSS Oleum Refinery
 EDWARD W. SCHROEDER Los Angeles Refinery
 EUGENE E. STREETER Oleum Refinery

15 YEARS

RAY ADAMS Oleum Refinery
 ELDON N. BACHMAN Oleum Refinery
 JAMES F. BAILEY San Fernando, California
 LA WARREN L. BARKS Santa Maria Refinery
 ARLO DWIGHT BATY Los Angeles Refinery
 M. E. BREGENZER San Luis Obispo, California
 EVANS M. BROWN Los Angeles Refinery
 F. BURKSTALLER, JR. Los Angeles Refinery
 WM. R. CAMPBELL, JR. Los Angeles Refinery
 ROBERT LEE CARROLL Los Angeles Refinery
 GORDON B. CHADBAND Santa Maria Refinery
 ERVIN G. CRAIN Los Angeles Refinery
 PHILIP A. DAVIS Los Angeles Refinery
 RICHARD G. DOWELL Union Oil Center
 DANIEL E. DRISCOLL Los Angeles Refinery
 ELWOOD J. FERGUSON Los Angeles Refinery
 ALBERT J. FISHER Santa Maria Refinery
 ELLIS E. HART Los Angeles Refinery
 LOYAL H. HENGSTLER Los Angeles Refinery
 HARRY G. HILL Los Angeles Refinery

ARNOLD I. HOLDEN Los Angeles Refinery
 RICHARD D. JAY Los Angeles Refinery
 JOE N. KOVALY Los Angeles Refinery
 JAMES C. LITTLEJOHN Los Angeles Refinery
 CORWIN F. LOGAN San Luis Obispo, California
 CARL O. LUNDBLADE Union Oil Center
 DONALD L. MADSEN Los Angeles Refinery
 R. C. MARTINDALE Los Angeles Refinery
 ERNEST M. McCARY Oleum Refinery
 WILSON J. MONE Norwalk, California
 JARRELL L. MOONEY Los Angeles Refinery
 THOMAS H. MULLIGAN Los Angeles
 RAY G. MUNSEY Union Oil Center
 DONALD L. OHLS Union Oil Center
 F. N. OKERSTROM Los Angeles Refinery
 C. L. OMOHUNDRO Los Angeles Refinery
 NORMAN A. PAQUIN Los Angeles Refinery
 RICHARD S. PEARSON Oleum Refinery
 JOE H. REA Oleum Refinery
 DONALD A. ROGERS Los Angeles Refinery
 HOMER A. RUE, JR. Los Angeles Refinery
 M. J. SIEBENHAUSEN Union Oil Center
 HIGGINS A. SISK Los Angeles Refinery
 DOROTHY V. SMITH Union Oil Center
 GLENN W. STANLEY Los Angeles Refinery
 GENE F. STANSBURY Los Angeles Refinery
 LEONARD SUCH Los Angeles Refinery
 ROBERT A. THAIN Oleum Refinery
 DONALD E. VAN LIEW Los Angeles Refinery
 LAWRENCE E. WATKINS Kern, California

SEVENTY-SIX

HAROLD C. WRIGLEY Los Angeles Refinery

10 YEARS

ROBERT N. CREEK Union Oil Center
JOHN W. EPLEY Butte, Montana
BILLY L. GREGORY Los Angeles
CYRUS G. PARR Los Angeles Refinery
GLEN H. ROGERS Los Angeles Refinery
DERYL W. SPRAGUE Los Angeles
WILLIAM M. SHREVE San Rafael, California
CLAUDE STANLEY Bakersfield, California
MILDRED M. THOMSON Union Oil Center
ARTHUR E. TONER Los Angeles Refinery
ROBERT D. VALLANCE Union Oil Center

EXPLORATION & PRODUCTION

October 1963

35 YEARS

SAMUEL T. LOUGH Orcutt, California

30 YEARS

KENNETH R. CROSSMAN Orcutt, California
CHARLES A. DUNPHY Santa Fe Springs, California
EDWIN P. FITZGERALD Montebello, California
JOSEPH Q. HOBACK Orcutt, California
FRED F. SMALL, JR. Guadalupe, California
KENNETH C. VAUGHAN Houston, Texas

20 YEARS

CLELL D. ABEL Bardsdale, California
WILLIAM R. MORAN Union Oil Center

15 YEARS

JOHN W. ANDERSON Bakersfield, California
FAYNE BELKNAP Midland, Texas
DONALD R. BELL Roswell, New Mexico
JAMES H. DILL Houma, Louisiana
ARTHUR E. FANGEROW Richfield, California
HAROLD E. GRAHAM Lompoc, California
HAROLD JEFFERY Coalinga, California
ARTHUR V. LEWIS, JR. Roswell, New Mexico
CLAUDE MALONEY, JR. Midland, Texas

10 YEARS

RICHARD B. MESSER Houston, Texas
JAMES V. MOTLEY Brea, California
JACK SCHRENKEL Tulsa, Oklahoma
VICTOR J. WEBRE Houma, Louisiana
THERMAN E. WISE Houma, Louisiana

CORPORATE DIVISION

20 YEARS

ROBERT J. BILLBURG San Francisco

15 YEARS

THOMAS HALLIS, JR. Research Center
DOROTHY R. HANSON Union Oil Center
JOHN R. C. PHILLIPP Union Oil Center
HARLAN L. ROUNDY Research Center
HERMAN F. STANFILL Research Center
SIDNEY H. TONEY Research Center
KENNETH R. TRADER Research Center
ALLEN E. YOUNGMAN Research Center

10 YEARS

ROBERT L. DEPWEG Union Oil Center

DEALERS

35 YEARS

E. C. LUCKENSMEYER Torrance, California

25 YEARS

R. E. McCOY Santa Barbara, California

20 YEARS

O. W. KNEELING Los Angeles

15 YEARS

F. B. ELLISTON Wallace, Idaho
NORMAN D. LARSON Turlock, California

10 YEARS

WARREN HOUGHTON Ojai, California

5 YEARS

ELMER ADRIAN Gardena, California
W. AND N. AVRIL, dba BARRETT CAFE
Dulzura, California
FRED BRONNER Oroville, California
ANDREW AND JOSEPH DOMICH Sacramento
FRED GARBARINO Sacramento
FLOYD GIDDINGS Yreka, California
HARRY HENSELMAN Sandy, Oregon
LESTER HOPKINS Caldwell, Idaho
S. J. KAKUTANI, dba JIMMY'S PLACE
Parlier, California
LEON'S SERVICE Hawthorne, Nevada
FRANK L. PARKINS Grants Pass, Oregon
C. B. O'BANNON, dba SILVER
SPRINGS SERVICE Enumclaw, Washington
RAY C. STALIANS Pomona, California
DEWEY THOMAS El Monte, California
WILBUR J. THORNTON Cathlamet, Washington
M. L. TODD Fullerton, California
ALVIN L. WEATHERMAN Milton-Freewater, Oregon

CONSIGNEE

15 YEARS

R. L. FRANKLIN, JR. Caldwell, Idaho

DISTRIBUTOR

5 YEARS

UNITED OIL & GREASE COMPANY
Alibene, Texas

RETIREMENTS

September 1, 1963

CLIFFORD F. ALLEE
Santa Maria, California April 1, 1946
CLYDE G. BALDOSSER
Covina, California August 15, 1933
FRANK T. CARPENTER
Paramount, California April 10, 1926
RUSSELL W. HALL
Lomita, California March 31, 1926
CLARENCE K. HOHU
Honolulu, Hawaii September 9, 1930
HOMER C. JOHNSON
Bakersfield, California July 1, 1932
ROBERT G. NOE
Torrance, California May 15, 1935
JANE OWENS
Santa Maria, California June 17, 1950
JESSE H. RADER
Redondo Beach, California February 25, 1926
WILLIAM D. SELLERS
Inglewood, California September 4, 1913
CAMERON C. STEWART
Bell, California April 9, 1921
ALBERT F. WATSON
Van Nuys, California October 20, 1931
JOSEPH R. YOUNG
Burlingame, California April 9, 1927

IN MEMORIAM

Employee:

FORREST W. HERPST
Los Angeles Refinery July 10, 1963

Retirees:

FRED C. BARR, JR.
San Francisco, California July 8, 1963
FRANK O. CARLSON
Orcutt, California July 16, 1963
RAY S. DAVIS
Fullerton, California August 1, 1963
MARTIN PATRICK HALLISSY
Oleum Refinery August 8, 1963
GEORGE P. HORTON
Ojai, California June 27, 1963
RUSSELL H. LISHEN
Oleum Refinery July 22, 1963

UNION OIL COMPANY OF CALIFORNIA
P. O. Box 7600
Los Angeles 54, California



Where We Work...

In San Francisco, more than a million master credit cards are needed to provide essential data on all of our credit card customers. The records are systematically stored in rotary files, which revolve to the operator's fingertips at the touch of a button. The half-dozen Union Oil women who "man" the files handle a monthly volume of over 10,000 new accounts, 30,000 changes of address, and over 10,000 requests to research or verify invoices.