



OCTOBER - NOVEMBER

1950

"On Tour"



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ON TOUR is published monthly by Union Oil Company of California for the purpose of keeping Union Oil people informed regarding their company's plans and operations. Reader participation is invited. Address communications to ON TOUR, 617 West 7th Street, Los Angeles 14, California.

Improving Our Vocabulary

Reprinted from New York Daily News

IT'S always a sound idea to know the exact meanings of the words you use—particularly when you are discussing industry, its earnings and its operations.

If you don't know what certain key words under this head mean precisely, your talk on the subject will be hazy at best, and at worst you'll be fair game for demagogues, rabble-rousers and other fakers pretending to want to help you but actually out for themselves alone.

Accordingly, we lift a valuable little item from Keynote, house organ of the Monroe Calculating Machine Co. Keynote lists five important industrial, business and financial words and lines up the true meaning of each, alongside what too many people think it means—like this:

Popular Belief

Actual Meaning

Dividend

Huge slug of company cash hauled away by big shots and insiders

The cost of using somebody else's savings; in 1949, about 3 cents on the dollar.

Depreciation

Five-syllable word invented by brass to kid the public about the size of profits.

A method of spreading the cost of our equipment over its useful life.

Assets

Dough, kale, gravy, chips, moolah; brass to divvy when nobody's looking.

Roughly, tools, buildings or almost anything we use in our daily jobs.

**Earnings Left In Business
(sometimes called "surplus")**

Money left over from profits that nobody can figure what to do with.

Funds to finance expansion and improvement of buildings and tools.

Working Capital

Bundle of jack stashed in the corner—big shots haven't got around to it.

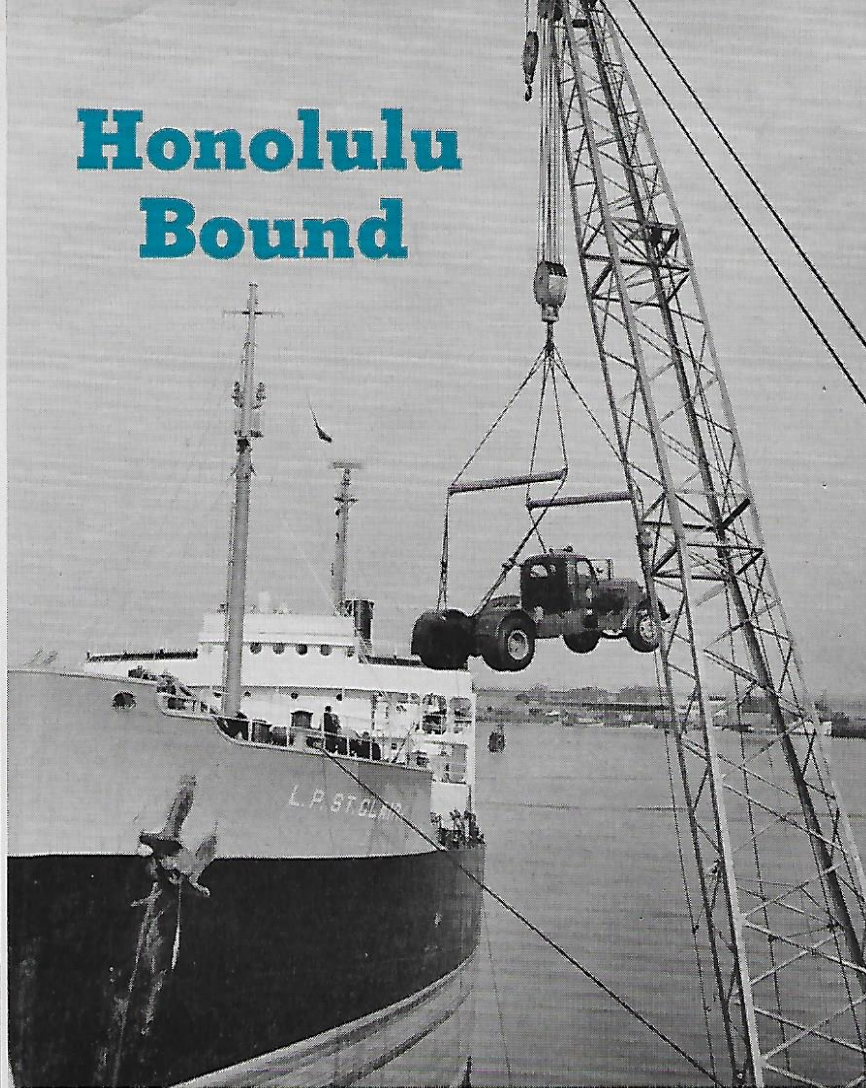
Part of assets, including cash, materials and receivables, less dollars we owe.

And may ON TOUR add?

Executive

A stuffed shirt entirely surrounded by Cadillac.

An especially competent and successful workman or foreman of yesterday, who, if he has a Cadillac, seldom has time to ride in it.



Honolulu Bound

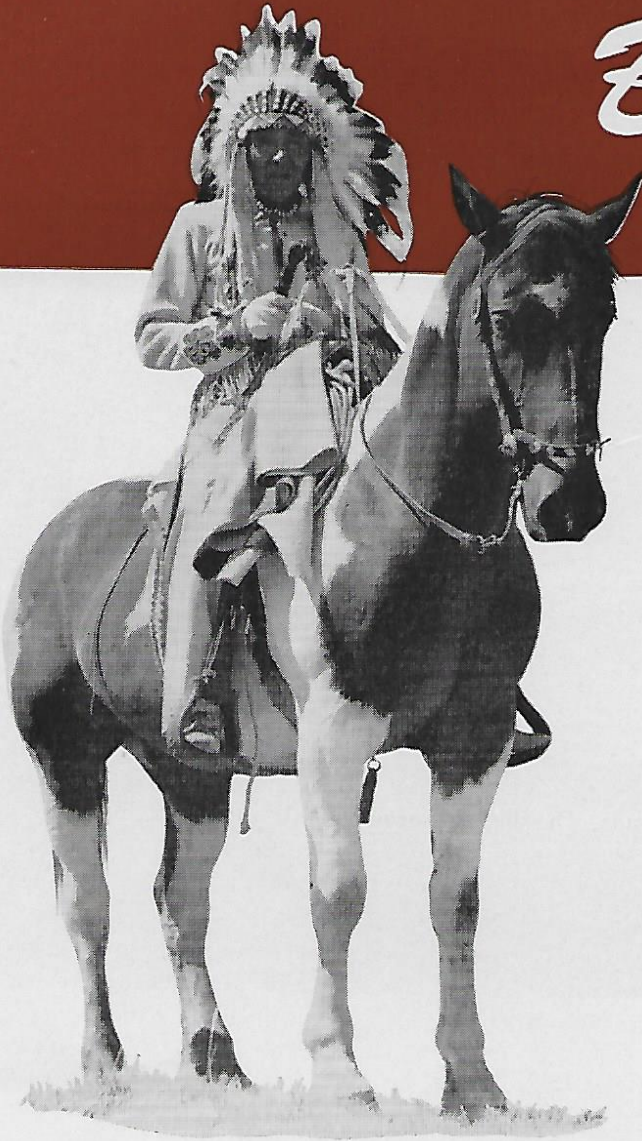


COULDNT resist being on hand with a camera when a brand new tractor and semi-trailer unit were loaded aboard our S. S. PAUL M. GREGG for shipment to Honolulu. How do men go about the job of hoisting 25,000 pounds of truck aboard a tankship without even scratching paint?

Now we know. The task in this instance required hiring a crane-barge. After taking a steady cable grip on the GREGG and ST. CLAIR, standing bow to bow, the crane extended its long boom between the ships and over the wharf. Experienced hands knew exactly where to hook on with cables, and how to keep gear and painted surfaces apart with padding or blocks of wood.

Soon the ponderous cargo was lifted in two sections over the ST. CLAIR'S bow. As they hung suspended for a few minutes over navigable water, you couldn't help estimating the cost of a mistake or broken cable. But nothing newsworthy happened. According to plan, both sections were presently swung to the GREGG'S open deck, just fore and aft of her bridge. Wheels straddled pipe lines and fenders came to rest within less than an inch of the ships valves. Not a speck of blue paint was molested.

Blackfeet NATION



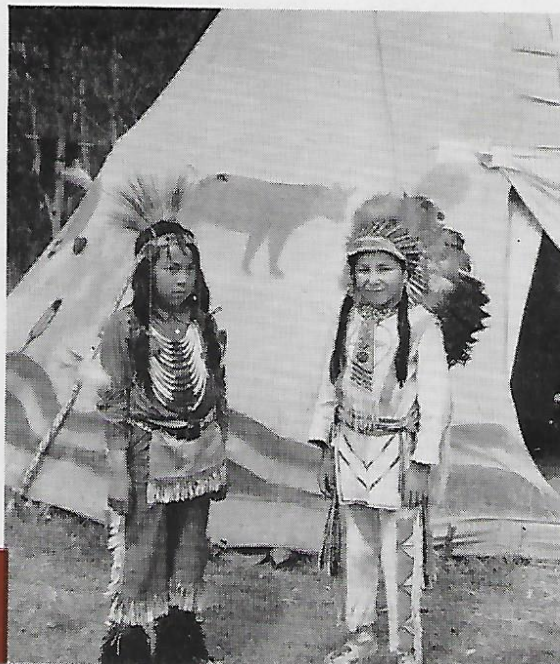
European horses reached the Blackfeet shortly after 1700, a generation before white traders contacted these Indians.

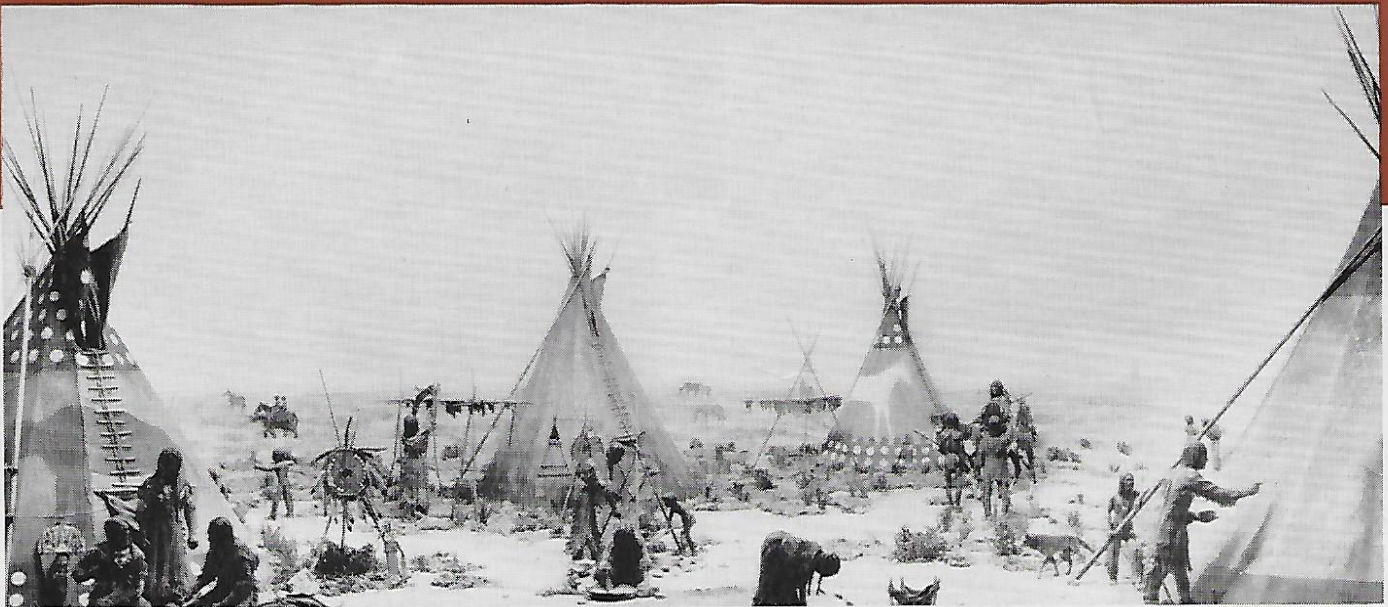
ACCORDING TO LEGEND, a party of Indian buffalo hunters one day crossed an expanse of burned-over prairie just before meeting strangers from another tribe. The feet and moccasins of the hunters were so blackened by ashes that the other Red Men, with typical spontaneity, promptly named them the Blackfeet. Somehow this chance nickname endured and was applied to members of the Piegan, Blood and Siksika tribes, all of whom were united by language, customs, intermarriage and treaty into America's largest nation of Plains Indians.

Boundaries of the Blackfeet nation expanded greatly after about 1730, when they obtained their first horses from Shoshoni enemies to the south and their first guns from Crees to the east. The latter had begun trading at English posts on Hudson's Bay and French posts along the Saskatchewan River and, in turn, traded many of their European wares to Plains Indians. Horses gave the Blackfeet equality with their strongest rivals and guns gave them superiority. From an area in Canada, drained by the Saskatchewan, they gradually extended their domination southward to the vicinity of Wyoming's Yellowstone Park. Practically all of Montana from Glacier National Park eastward became their jealously guarded hunting ground.

Population of the Blackfeet tribes probably reached a high total of 15,000 people by 1780. Thereafter, tribal warfare, smallpox epidemics and famines reduced their number to 1,800 by 1895. But today's some 7,000 descendants, including many of mixed blood, are in-

Trained from childhood, the Blackfeet developed into skilled horsemen, peerless hunters either with guns or bows, and the most feared Indian warriors of the Great Plains.





This museum exhibit at Browning, Montana, is a most authentic portrayal of Indian life in a typical hunting village. Buffalo were the staff of life. Women moved, erected and maintained the tipi. Men did the hunting and fighting.

creasing at three times the rate of Americans generally.

Wherever buffalo roamed, there roamed the Great Plains Indians. Meat from the plentiful bison herds, supplemented by a few wild herbs, nuts and berries, was their staff of life. Leather from the hide was raw material for their lodge coverings, saddles, water vessels, packing cases, articles of clothes and other necessities of primitive life. Buffalo robes made comfortable beds and warm overcoats during the coldest months of winter. Sinews of the buffalo were dried and split into fine, tough lengths of thread. Bones could be made into awls and other hand tools. Horns of the beast became ladles, spoons and cups. In fact, to the Plains Indians of North

America, these wild herds were an ideal insurance against want. The buffalo provided all of life's basic necessities; it sustained and procreated itself on probably the earth's richest natural pasture land; and its number seemed never to decrease.

So, when American explorers, trappers and traders began moving west shortly after 1800, they were impressed with the strength of the Blackfeet nation. These Indians were skilled riders and breeders of horses. They were intelligent, proud, hostile toward trespassers, and well armed. None surpassed them as hunters and fighters. They were among the last Indians to countenance Pale Face domination.

Symbolic of a way of life that has vanished is this log entombment vault, one of very few remaining on the Blackfeet Reservation. This method of burial followed an older custom of depositing "Good Indians" among the branches of trees.

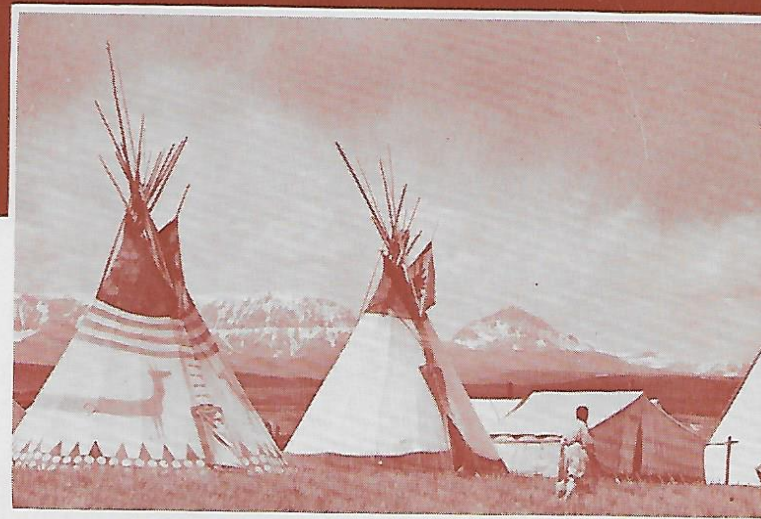
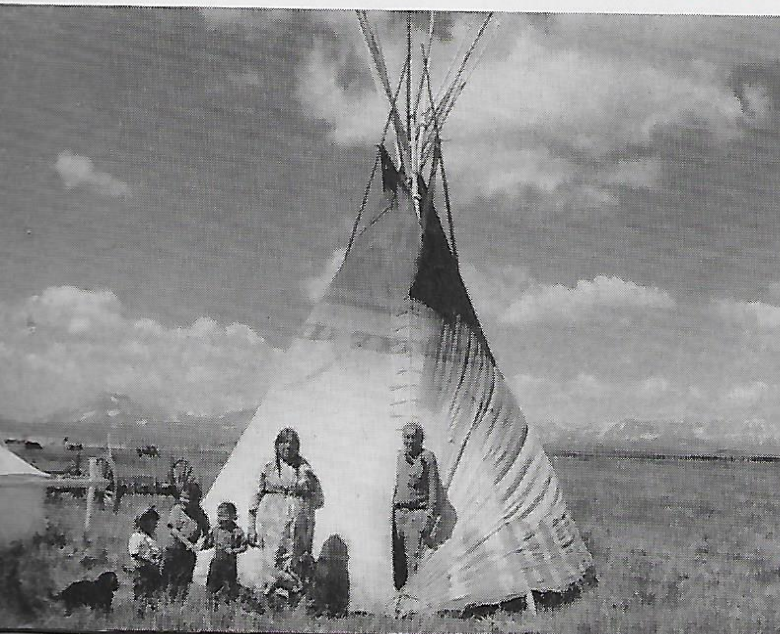




Store benches in Browning rarely lack patrons. Second from left and below is Jim White Calf, 86, son of a famous chief.



Today, tipis are erected only for the Blackfeet Roundup and the Annual Sun Dance, usually held at Browning in July.



RESERVATION

GREATEST of tragedies to the Blackfeet was of course the wasteful slaughter of buffalo to satisfy white men's lust for hides. Herds had slowly diminished in some areas of the Plains for many years, but as late as 1874 there was an estimated four million head remaining in the Montana and Canadian range. These were killed off in a brief 10 years. Buffalo hides shipped by Mackinaw boat from Ft. Benton, Montana, to St. Louis dropped from 75,000 in 1876 to nothing in 1884.

Almost in a single year the Blackfeet slipped from their enviable position of economic independence to one of abject poverty. They ate dogs, horses, wolves, soup made from decaying bones—anything they could find during several winters to avoid following buffalo herds into extinction. Without help from the white fathers at Washington, an entire Indian nation might have perished.

The Blackfeet Reservation in Montana dates from

The younger generation of Blackfeet are rapidly adopting new ideas. Only Floyd Middle Rider, center, wears braids.



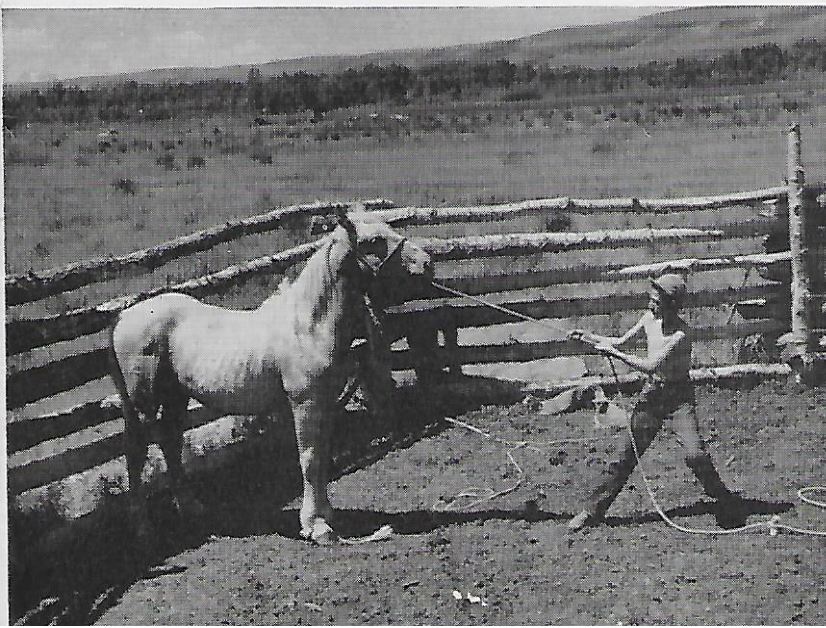


1855, when a treaty between Indians and the United States called for a cessation of tribal wars, the right of all Americans to pass through Indian territory, and various other peace concessions. In return the Blackfeet were to receive \$20,000 annually in goods and provisions, plus United States aid in starting farms and schools.

Both Indians and white men were sincere in wanting peace. But human customs and shortcomings on both sides often circumvented treaty provisions. Schools and farm projects that were started nearly as often failed. Wise Blackfeet chiefs counseled their people to adopt the white man's way of life. But centuries of tradition often seemed too deeply etched in the passions of young braves. Catholic and Protestant missionaries brought Christian religion to the reservation only to see their newly baptized members frequently revert to such unneighborly exercises as fighting or horse-raiding.

However, time has succeeded to a great degree where reason at first failed. Today, the Blackfeet Reservation

After the manner of his forefathers, Charles Talks About, age 10, wants to break his own horse to lead and ride.



Blackfeet women—Mrs. Spanish, Thelma Horn, Irene Deveraux—are preserving some of their old sewing arts.

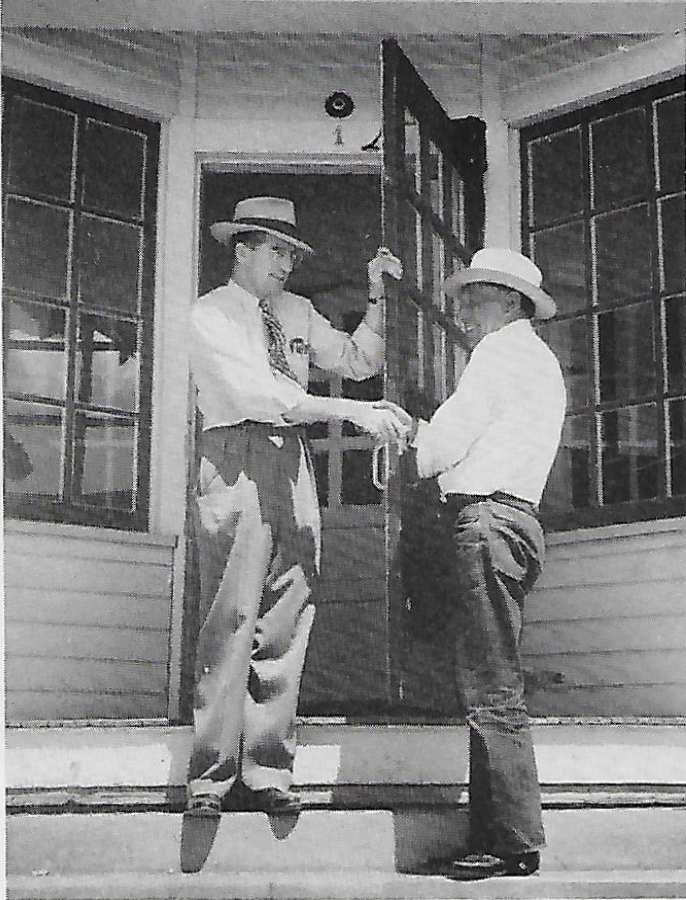
is hardly distinguishable from the rest of Montana unless visitors leave the paved highway or stop for an hour at Browning.

Among beautiful rolling hills, flanked by the snow-capped Rockies, herds of range cattle and sheep have replaced the buffalo. Horses are numerous despite a new or second-hand automobile standing beside nearly every farm house. Slowly the plots of cultivated land are expanding into profitable farms. Modest frame houses have entirely supplanted tipis except during the annual Sun Dance encampment.

In Browning, location of the Indian Agency, are found side by side with poorly constructed shanties a number of good homes and stores, an excellent new hospital, good schools, a beautiful museum, and most of the wares sold elsewhere in America. The people, a trifle more bronzed on the average than their white brothers, are otherwise typical of ranchers, storekeepers and shoppers on any town's main street.

Charles and Wilbur Cadotte exemplify the humble but carefree life enjoyed today on the Montana Reservation.





Union Oil's ambassador to the Blackfeet Nation is Jim Wamsley, left, land and lease supervisor, seen greeting an Indian acquaintance, Charles Horn, at Browning Agency.

INDIAN MEDICINE

IT is doubtful that Plains Indians appreciated the medicinal properties of oil, as did tribesmen farther east, or had any other use for petroleum seepages in Wyoming and Montana. Nevertheless, present-day Blackfeet have no doubt about the power of oil to cure ills—

Seeking to lease tribal land for drilling purposes, Jim at first presents the Company's application to the Indian Agency land clerk, Stanley R. Pugh, checking map. Then to good business heads of the Tribal Council he points out the drilling site and outlines terms of the proposed lease. His listeners are wise and alert traders, to whom legal terms are no mystery.

particularly economic ones. A few have become wealthy through oil royalties and all Blackfeet have benefited to some extent from oil being produced on the Montana reservation.

The original oil lease on Blackfeet lands was negotiated by H. E. Reagan, whose discovery well was drilled in 1941. Union Oil Company purchased producing and drilling rights from Reagan in 1945 and have steadily extended this good, though not spectacular, field. From 17 wells we are presently producing about 15 thousand barrels of 36-gravity oil a month.

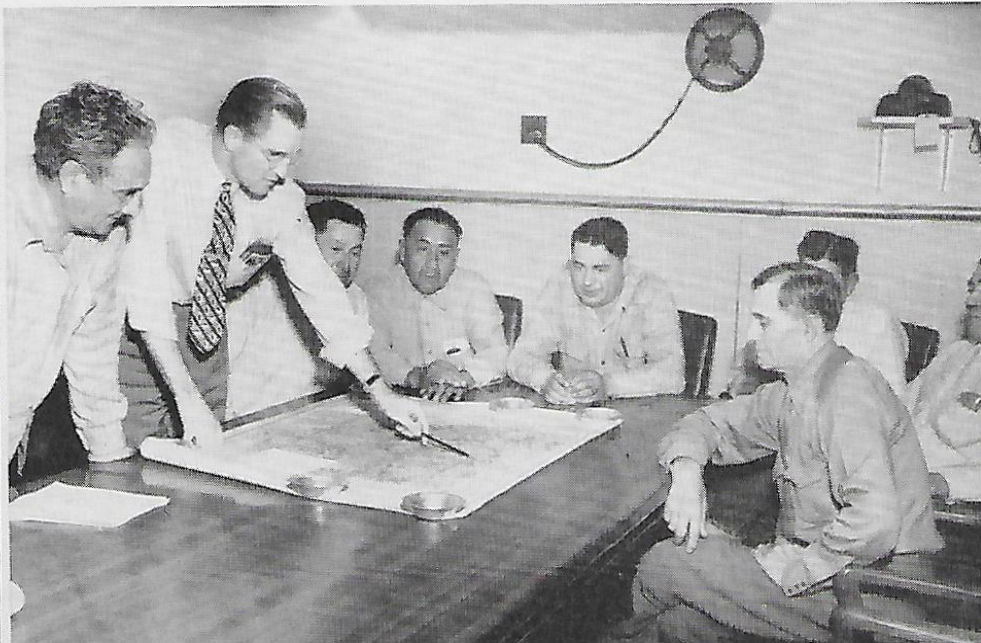
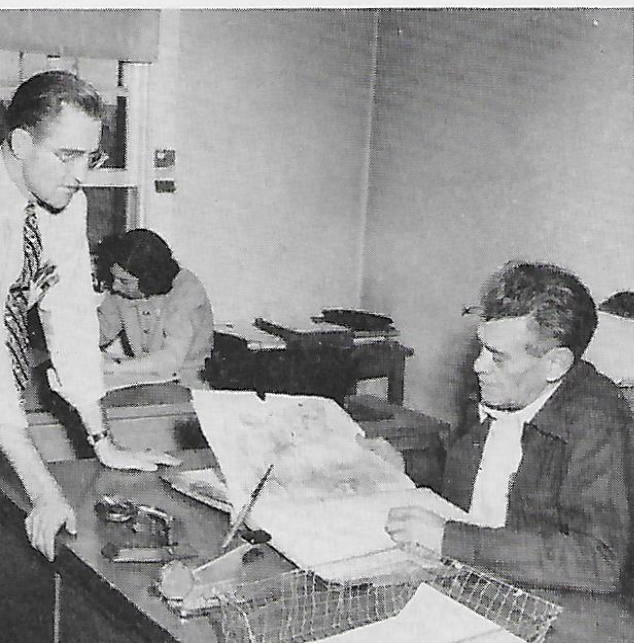
Far more interesting, though, than production figures is the complicated procedure through which Indian land owners and the Company finally consummate a satisfactory oil *treaty*. Jim Wamsley, Union Oil's land and lease supervisor in Montana, gave ON TOUR the following job description as we accompanied him to a Tribal Council meeting in Browning:

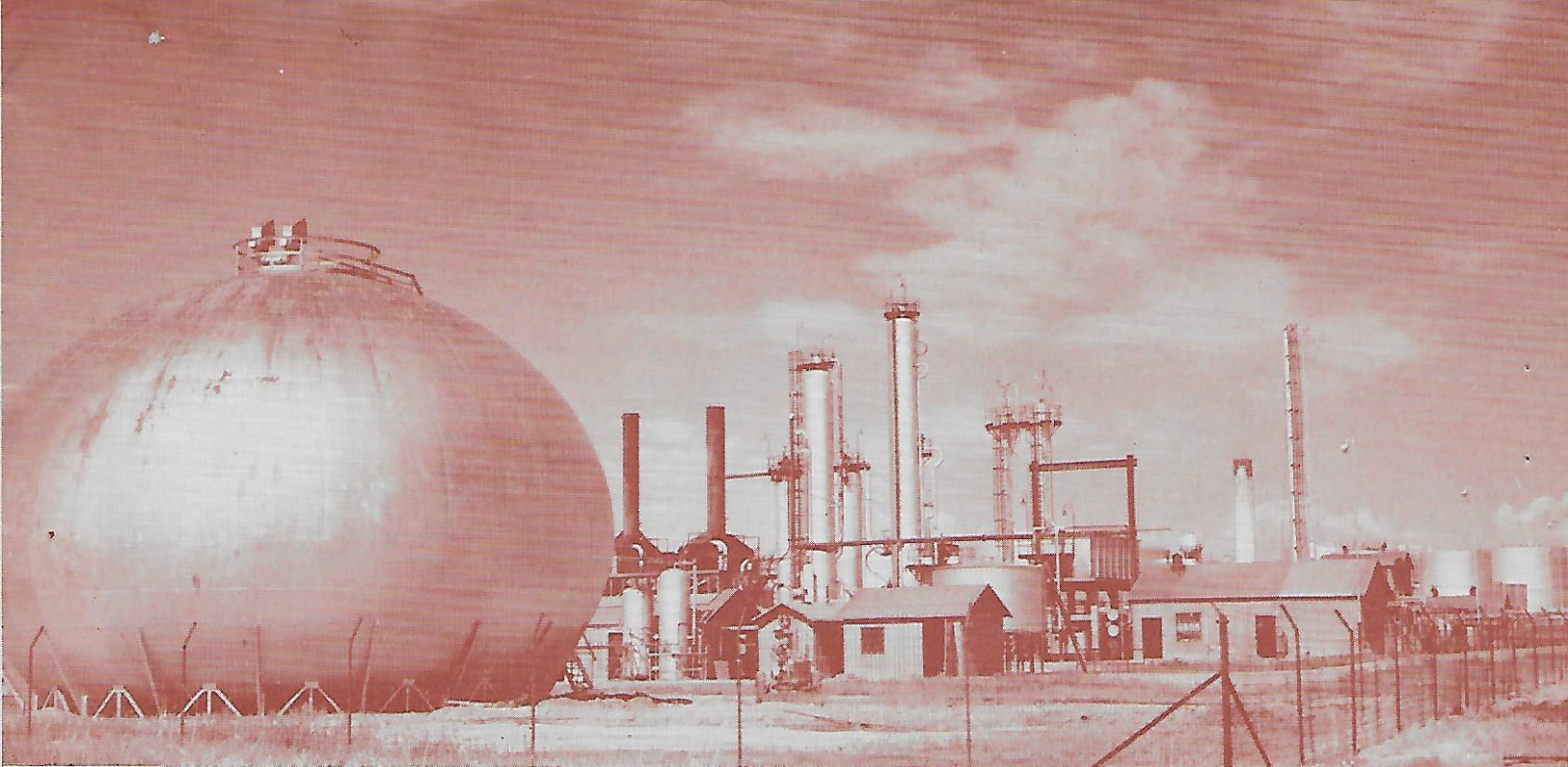
"When the Company decides to lease a tract of reservation for drilling purposes, the first thing to learn is who owns and controls the desired tract.

"Some land on the Blackfeet Reservation is owned by Indians who are not wards of the Government or by individuals who have purchased it from the original owners; this is called *fee patent land* and we deal for it exclusively with the owner.

"Other acreages, called *allotted lands* because they have been allotted to individuals who remain wards of the Government, can be leased only through joint approval of the owner, the Indian Agency and the Department of Interior at Washington.

"*Tribal lands*, which comprise most of the reservation, are community property of the entire tribe and present a





Oil being produced on the Blackfeet Reservation and on adjacent private land goes by pipe line to our Cutbank Refinery.

most complicated leasing problem. First, a leasing request is submitted to the Blackfeet Indian Agency superintendent at Browning. The oil and gas lease clerk of the Agency office studies our request, and we then present it to the Blackfeet Tribal Council. This Council is composed of 13 elected Indians, who manage tribal land and money, encourage arts and crafts, and administer all laws on the reservation except those having to do with major crimes. If the Tribal Council agrees to an oil lease, all facts are advertised so that other oil companies may be attracted to bid for it. Then, at a public auction, conducted by the oil and gas lease clerk, the highest bidder is determined. If one of the tribesmen enters this competition, it is understood that his bid will receive preferential consideration.

"Following the auction, the Tribal Council reconvenes to either accept or reject the high bid. If they accept, lease papers are prepared by the Indian Agency, signed by the Tribal Council chairman and secretary, and sent to the successful bidder for his or his company's signature. At the same time, the bidder must advance 20 per cent of the first annual rental and bonus offered during competitive bidding and agree to pay the balance of these amounts within 20 days after his company has signed. Finally, all lease papers are sent by the Indian Agency to Washington for Department of Interior acceptance. This acceptance becomes the starting date of a lease.

"In most cases, drilling must begin within 90 days after acceptance of a lease in Washington. If the oil company drills a dry hole, the Indians are richer in the

amount of their bonus and first annual rental. If oil is found, they receive 12½ per cent as a royalty.

"The leasing of *tribal land*," Jim concluded, "is heart-breaking business. We have hounded a single lease for as long as two years. You never get more than you bargained for, and often you have to take less."

Despite Jim's note of pessimism, a characteristic of all lease men, we soon recognized that he and the Company are well known and highly respected among the Blackfeet. We were cordially received at the Agency, in the inner sanctums of the Tribal Council, and by scores of smiling braves along the street. Oil is good economic medicine no matter where it's found.

Meanwhile, Union Oiler children of the Stone and Dumontier families frolic near the drilling site on grazing land that once felt the hoofs of stampeding buffalo herds.





First Aid For Benefit Plan

SINCE its inception in 1915, the Employees' Benefit Plan, organized as a cooperative means of providing Union Oilers with medical care and hospitalization at a minimum cost, has operated largely on dues paid monthly by member employees. However, all administrative costs—specifically, office and dispensary rentals, dispensary supplies, accounting and clerical work, salaries and traveling expenses of employees who administer the plan, a portion of salaries paid to doctors on retainer and to their staffs, and so on—have been absorbed by the Company. The fact that no overhead is assessed against members and that every dollar contributed by employees is applied to direct medical benefits makes this one of the best and least expensive medical and hospitalization plans in existence.

Now the Benefit Plan is to be made of even greater value to employee members. Union Oil Company has agreed to make financial contributions to this plan at the rate of 50 cents per employee member per month, commencing December 1, 1950. The Board of Administrators,

elected by employee members, will continue to administer all EBP matters as in the past.

This offer was made after members had indicated preference for an increase in their personal contributions of \$1 per month to a new rate of \$4. As a result of the Company's assistance, it will now be necessary to increase dues only 50 cents a month in order to keep EBP solvent and permit an increase in maximum benefits to \$1,000.

Article IV, Section 2 of the Employees' Benefit Plan now provides that:

"Each member shall contribute to the Plan \$3.50 each month. The monthly contribution of each member shall be deducted from his salary on the payroll, except that in those cases where it is not practicable to do so contributions may be made currently in cash. No member shall be entitled to any refund of any contribution paid by him. The amount of members' contributions may be increased or decreased

by the Company if and when in the judgment of the Board of Administrators such action is necessary to maintain the Plan."

Article V, Section 2 provides that:

"A member granted sick leave without pay will only be required to contribute to the Plan for the month in which the sickness or condition occurred and will be released from further contributions during the period of such sick leave. The maximum benefit to any such member shall not exceed a total of \$1,000 for said sickness and any and all sicknesses and injuries occurring during such sick leave."

Article V, Section 5, provides that:

"If membership is terminated under any of the above conditions and the member is receiving treatment under the Plan for a then existing illness or condition the Plan will continue to pay therefor to the extent and in the manner and subject to the provisions of the plan with respect thereto, provided the individual remains under continuous care of a panel doctor, but in no event beyond a period of six months after such termination of membership or in excess of an accumulated expenditure of \$1,000, whichever shall first occur."

Article VI, Section 3 provides that:

"The maximum amount the plan will pay for medical, surgical and hospital services and expenses for any one illness or condition of a member is \$1,000, provided, however, that upon the expiration of two years of uninterrupted recovery from any such illness, condition or recurrence thereof, and in the event of a recurrence of said illness or condition thereafter, treatment for said condition will then be furnished as though the same were a new illness or condition and previous expenditures thereon will be disregarded in determining the maximum amount which the plan will pay therefor."

Results of Voting

Increases in both dues and benefits of EBP were made necessary by inflationary spirals of the past few years. Along with higher wages and living costs, medical and hospital costs have increased. It became necessary to raise the monthly dues to meet these higher costs. Moreover, it was recognized that the maximum benefits ob-

tainable would have to be raised to offset the reduced purchasing power of EBP dollars.

The Board of Administrators mailed questionnaires to all members, seeking to determine the will of employees regarding several courses of action that might be taken. Responses were highly interesting.

Of the 6,505 questionnaires mailed, approximately 3,595 were answered and returned, although a few additional ones are arriving daily. The majority, approximately 56 per cent, favored increasing dues to \$4 and maximum benefits to \$1,000.

An additional 27 per cent recommended leaving maximum benefits at \$750 and increasing dues only to \$3.50. These members should show no hesitancy now, obviously, in accepting the additional benefits partly at Company expense.

Eleven per cent of the members preferred continuing dues at the old rate, \$3, and reducing benefits.

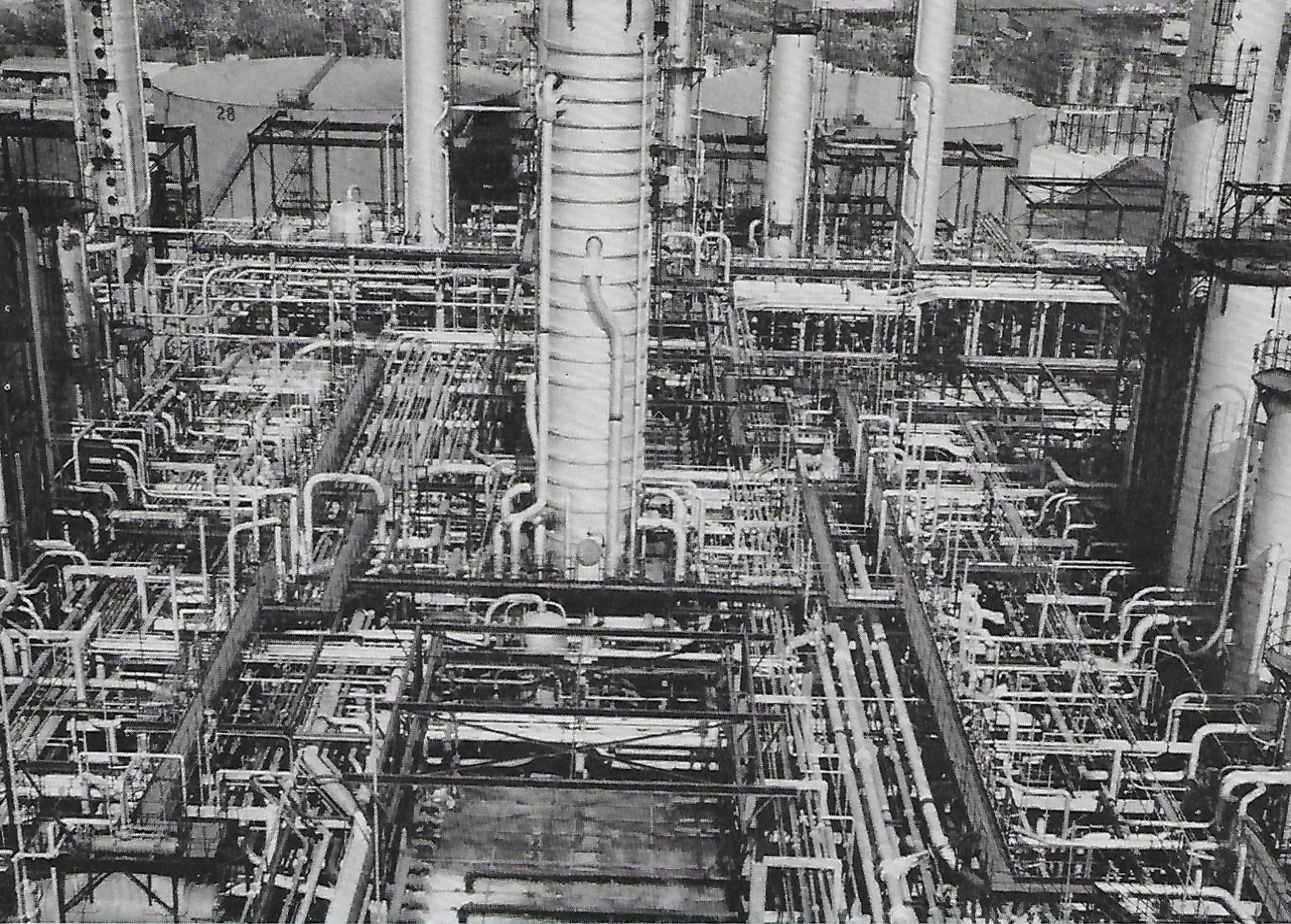
The remaining six per cent either were not in agreement with any proposals made by the Board of Administrators or felt they did not have enough information to express an opinion.

Of some 250 comments written on the questionnaires, most numerous were requests for a group family coverage plan. Such a proposal was presented to Union Oilers in 1949, but only 22 per cent of the eligible employees favored signing for it, whereas the insurance company required 75 per cent participation.

Discontinuance of EBP was advocated by 41 members. Nine others thought membership should be made voluntary. Fifty-one implied they would prefer insured family coverage purchased through or outside the Company. Among the insurances recommended were several that are available only in certain localities or at much higher cost.

A few Union Oil people think the plan should get rid of all neurotics, hypochondriacs and persons who take needless advantage of anything free. Others were most happy with the provisions and administration of EBP and expressed the thought that its costs had increased only in proportion to other services.

Questionnaires revealed that the Employees' Benefit Plan is well understood and appreciated by a majority of Union Oil people. It is now a better plan than ever before because of increased support from both employees and the Company. It should continue indefinitely to bring all members a high degree of medical security at the lowest cost.



"76" VIEWS OF REFINING

36. Unit 33, only part of whose expansive labyrinth of columns and piping can be seen in the above view, is a combination of several refining units. In its Crude Distillation Section over 60,000 barrels of crude is distilled daily. To its Thermal Cracking Section some of the partially refined products return for conversion from heavy to light oils. And in its Light Ends Section large quantities of *cracked* gasolines are segregated into several of the types and grades needed for blending into finished gasolines.

Since most other portions of the refinery depend upon Unit 33 for their crude feed supplies, this unit must be kept operating near to capacity day and night throughout the year. Some of its installations are built in duplicate to avoid a complete shutdown for maintenance work and repairs.

An idea of what is meant by "Thermal Cracking" and "Light Ends" will be given when we follow the oil *stream* back to Unit 33 from other parts of the refinery. But now is the logical time to look at its Crude Distillation Section.

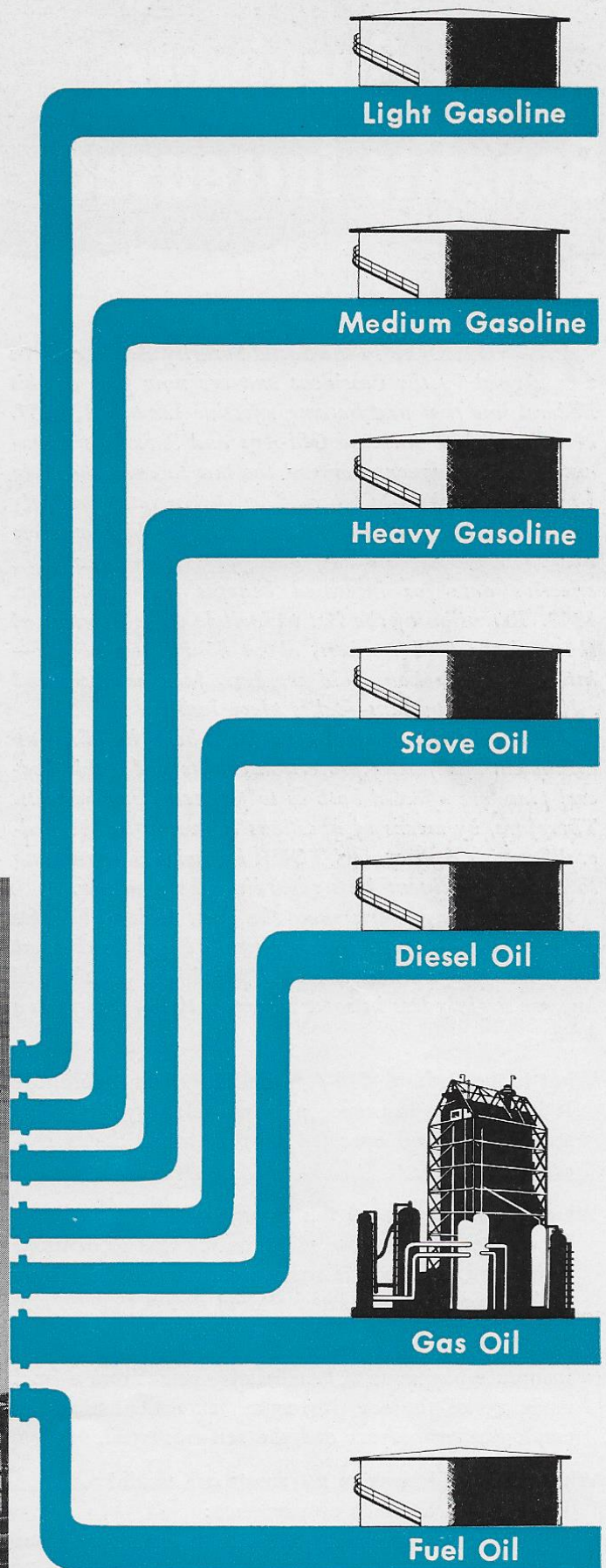
37. Crude Distillation at Unit 33 takes

place in the three columns below. Entering No. 1 column, right, at a temperature of approximately 650 degrees F., the crude is distilled into four fractions—a mixture of *light* and *medium gasoline*, *heavy gasoline*, *stove oil*, and a *bottom residuum* that did not vaporize.

In No. 2 column, left, the mixture of *light* and *medium gasoline* is separated into these two fractions.

In contrast to No. 1 and No. 2 columns, which work at pressures of around 60 pounds per square inch, No. 3 column, center, operates at a pressure only about one-third as great as that of the outside atmosphere. This partial vacuum causes some of the oils to vaporize at a somewhat lower temperature. Thus the *bottom residuum* from No. 1 column needs to be raised to a temperature of only about 675 degrees to effect its separation in No. 3 into three fractions—*diesel oil*, *gas oil* and *fuel oil*.

So, from 60,000 barrels of crude oil entering Unit 33's Distillation Section daily, we obtain seven partially refined products. About 30 per cent of the crude goes to storage in the form of gasolines. Another 30 per cent is drawn off the bottom of distillation columns and sent to storage as residual fuel oil. The remaining 40 per cent, classified as diesel fuel or gas oil, proceeds in part at least to the Thermoform Catalytic Cracker, where we shall presently follow its interesting adventure.



Federal Old-Age and Survivors Benefits Increased

AMENDMENTS to the Social Security Act have been signed by the President and are now part of this Federal law that first became effective January 1, 1937. New provisions increase Old-Age and Survivors Insurance benefit payments, extend the law to cover possibly 10 million workers in types of occupations not formerly covered, and liberalize the rules through which workers and their dependents may qualify for payments. The effective date for increased benefits was September, 1950. Extension of the Act to include three-quarters of the nation's paid workers, about 45 million people—including some household workers, farm workers and self-employed persons—takes place January 1, 1951.

All Union Oil people, who have been building up retirement and family protection credits under this Federal plan, are affected both as to payments and benefits. Therefore, by means of questions answered by the Federal Security Agency, ON TOUR herewith is attempting to explain pertinent facts regarding the new law.

Accompanying charts show the exact Federal benefits to be paid using a calculation formula based on the new law. Benefits calculated under provisions of the old law are slightly less in some instances than those shown here.

What is the Federal Old-Age and Survivors Insurance?

It is a family insurance plan provided by the social security law and operated by the United States government.

What is the purpose of this insurance?

To compensate, in some measure, for loss of earnings in old age, and to give some protection to the family if the insured wage earner should die.

How is this insurance financed?

Insurance payments to beneficiaries come from a fund made up of the social security tax contributions of employees, employers and the self-employed.

What kinds of insurance payments are made?

There are three kinds of payments:

(a) Monthly retirement payments to insured persons and their families.

(b) Monthly survivors payments to the families of insured workers who die.

(c) Lump-sum payments to an insured worker's widow or widower, or to the person who paid the worker's burial expenses. This lump-sum will be paid even when there is a survivor who is immediately eligible for monthly insurance payments.

How do you earn these insurance payments?

By earning enough in wages or self-employment income over a sufficient length of time in work that comes under the law. These requirements are measured in "quarters of coverage."

What is a quarter of coverage?

The calendar year is divided into four 3-month periods or "quarters," ending March 31, June 30, September 30, and December 31. Each calendar quarter in which an employee is paid wages of \$50 or more in covered employment is a "quarter of coverage" for determining his insurance status under social security.

How do you qualify for retirement benefits?

Monthly retirement benefits are payable at age 65, if the worker is *fully* insured. Supplementary benefits are payable, when the worker qualifies for retirement benefits, to his dependent children under age 18 and to his wife. A husband may receive benefits at age 65 on his wife's social security account if he is dependent on her for support and if she is *currently* insured as well as *fully* insured when she retires at or after age 65.

How do you qualify for survivors benefits?

Monthly survivors' benefits are payable at death if the worker was *either fully or currently insured*. If a worker was fully insured, benefits may be paid to his dependent children under 18, to his widow (in some cases his divorced wife) if she is caring for the children, to his widow who is age 65 or over, and sometimes to his dependent aged parents. The dependent widower of a fully insured woman worker may qualify for a widower's benefit at 65 if his wife was also *currently* insured at her death. If the worker was only *currently* insured at death, no benefits are provided for survivors at age 65 but any of the other benefits may be paid.

How does a worker become FULLY insured?

He must have six quarters of coverage in every case and also one quarter of coverage for each two calendar quarters after January 1, 1951; or one quarter of coverage for each two calendar quarters after he became 21 years old; or 40 quarters of coverage.

How does a worker become CURRENTLY insured?

A worker is currently insured if he had at least six

quarters of coverage within the three years just before his death or just before his entitlement to old-age insurance benefits.

Is it easier to become fully insured now than before the 1950 amendments?

Yes, many people, now 65 or over, may begin to have insurance payments immediately. Newly covered workers are enabled to qualify for benefits much more quickly than before. About 500,000 additional persons may be paid benefits in 1951.

Will any people be able to claim benefits now, although they did not qualify before the law was amended?

Yes. A person who is 65 or over on September 1, 1950, needs only 1½ years of employment to be eligible for benefits. He is immediately eligible if he has already had that much work under the law. A wife under 65 may now receive benefits if she has in her care a child who is entitled to child insurance benefits on her husband's wage records.

The *divorced* former wife of a deceased insured worker may in some cases receive benefits on his record if she is caring for his children.

A child may qualify for monthly benefits on his mother's record more easily under the new law than before. A dependent husband or widower of a fully and currently insured woman who is entitled to old-age and survivors insurance benefits or who died after August, 1950, is now eligible for insurance payments when he becomes 65.

Suppose a worker died before the amendments were enacted and was not insured. Will his survivors be eligible for benefits under the amendments?

No. The old eligibility requirements remain in effect for persons who died before September 1, 1950.

Does the amount of insurance

payment depend on a worker's earnings?

Yes. The law in effect up to September, 1950, also counted the number of years of employment and that law will continue to be used in many cases. Where the old system of figuring benefits is used, the benefit will be increased by a table given in the new law. Beginning in July, 1952, the formula given in the new law will be used where it will result in a higher payment.

How much will benefits be under the new law?

When the benefit formula in the new law is used, the old-age benefit amount will be ½ of the average

Federal Old-Age Pension

MONTHLY BENEFITS

Average Monthly Wage	Single or Spouse Under 65	Married, With Spouse 65 or Over	Married, With 1 Child Under 18	Married With 2 or More Children Under 18
\$185	\$62.80	\$94.20	\$125.50	\$148.00
190	63.50	95.30	127.00	150.00
195	64.30	96.40	128.50	150.00
200	65.00	97.50	130.00	150.00
205	65.80	98.70	131.50	150.00
210	66.50	99.80	133.00	150.00
215	67.30	100.90	134.50	150.00
220	68.00	102.00	136.00	150.00
225	68.80	103.20	137.50	150.00
230	69.50	104.30	139.00	150.00
235	70.30	105.40	140.50	150.00
240	71.00	106.50	142.00	150.00
245	71.80	107.70	143.50	150.00
250	72.50	108.80	145.00	150.00
255	73.30	109.90	146.50	150.00
260	74.00	111.00	148.00	150.00
265	74.80	112.20	149.50	150.00
270	75.50	113.30	150.00	150.00
275	76.30	114.40	150.00	150.00
280	77.00	115.50	150.00	150.00
285	77.80	116.70	150.00	150.00
290	78.50	117.80	150.00	150.00
295	79.30	118.90	150.00	150.00
300	80.00	120.00	150.00	150.00

monthly wage for persons with an average monthly wage of \$100 or less. For those whose wages average between \$100 and \$300, the benefit amount will be between $\frac{1}{2}$ and $\frac{1}{4}$ of the average monthly wage. A newly retired worker who is entitled to payments will get at least \$20 even if his average monthly wage is less than \$40.

What is the amount of the social security tax?

Until the end of 1953 the amount will be $1\frac{1}{2}$ per cent each for employer and employee. The rate will then be 2 per cent from 1954 to 1959, $2\frac{1}{2}$ per cent from 1960 to 1964, 3 per cent from 1965 to 1969, and $3\frac{1}{4}$ per cent after 1969.

Only the first \$3,000 of wages in a year is taxable

through 1950. Beginning in 1951 the first \$3,600 is taxed.

Are benefits paid automatically upon attainment of age 65 or death?

No. A claim must be filed before any insurance payments are made. It is very important to remember this because the law permits monthly payments to go back for only six months from the date on which the claim is filed. The lump sum can be paid only if a claim is filed within two years of the worker's death.

Where are benefit claims filed?

The place to make claims for insurance benefits under old-age and survivors insurance is the nearest social

(Continued on Page 23)

Federal Survivors Insurance

MONTHLY BENEFITS

Average Monthly Wage	Widow (or Dependent Widower 65) & 1 Child Under 18	Widow (or Dependent Widower 65) & 2 Children Under 18	Widow (or Dependent Widower 65) & 3 or More Children Under 18	Widow 65 or Dependent Widower 65 Or 1 Child Alone	Two Children Alone	Three Children Alone	Four Children Alone	Aged Parent Alone	Two Aged Parents Alone	Lump Sum Death Benefit Payment
\$185.00	\$ 94.20	\$125.50	\$148.00	\$47.10	\$ 78.50	\$109.90	\$141.20	\$47.10	\$ 94.20	\$188.30
190.00	95.30	127.00	150.00	47.70	79.40	111.20	142.90	47.70	95.30	190.50
195.00	96.40	128.50	150.00	48.20	80.40	112.50	144.60	48.20	96.40	192.80
200.00	97.50	130.00	150.00	48.80	81.30	113.80	146.30	48.80	97.50	195.00
205.00	98.70	131.50	150.00	49.40	82.20	115.10	148.00	49.40	98.70	197.30
210.00	99.80	133.00	150.00	49.90	83.20	116.40	149.70	49.90	99.80	199.50
215.00	100.90	134.50	150.00	50.50	84.10	117.70	150.00	50.50	100.90	201.80
220.00	102.00	136.00	150.00	51.00	85.00	119.00	150.00	51.00	102.00	204.00
225.00	103.20	137.50	150.00	51.60	86.00	120.40	150.00	51.60	103.20	206.30
230.00	104.30	139.00	150.00	52.20	86.90	121.70	150.00	52.20	104.30	208.50
235.00	105.40	140.50	150.00	52.70	87.90	123.00	150.00	52.70	105.40	210.80
240.00	106.50	142.00	150.00	53.30	88.80	124.30	150.00	53.30	106.50	213.00
245.00	107.70	143.50	150.00	53.90	89.70	125.60	150.00	53.90	107.70	215.30
250.00	108.80	145.00	150.00	54.40	90.70	126.90	150.00	54.40	108.80	217.50
255.00	109.90	146.50	150.00	55.00	91.60	128.20	150.00	55.00	109.90	219.80
260.00	111.00	148.00	150.00	55.50	92.50	129.50	150.00	55.50	111.00	222.00
265.00	112.20	149.50	150.00	56.10	93.50	130.90	150.00	56.10	112.20	224.30
270.00	113.30	150.00	150.00	56.70	94.40	132.20	150.00	56.70	113.30	226.50
275.00	114.40	150.00	150.00	57.20	95.40	133.50	150.00	57.20	114.40	228.80
280.00	115.50	150.00	150.00	57.80	96.30	134.80	150.00	57.80	115.50	231.00
285.00	116.70	150.00	150.00	58.40	97.20	136.10	150.00	58.40	116.70	233.30
290.00	117.80	150.00	150.00	58.90	98.20	137.40	150.00	58.90	117.80	235.50
295.00	118.90	150.00	150.00	59.50	99.10	138.70	150.00	59.50	118.90	237.80
300.00	120.00	150.00	150.00	60.00	100.00	140.00	150.00	60.00	120.00	240.00



INDUSTRIAL SUMMARY

Company Makes Two Important Oil Discoveries in Texas

● **FIELD** Recently two discoveries have rewarded our exploration efforts in West Texas. In Terry County on the South Brownfield Prospect, approximately 100 miles north of Midland, Cotten No. 1 was completed on September 1. Its initial rate of flow was 1,800 barrels per day of clean, 44-gravity oil. This well is a reef lime discovery and is producing from an interval between 9,980 and 10,150 feet. The Company has 2,400 acres in this area and three offset wells have already been started, two of which are Company operated.

Approximately 100 miles southeast of Midland and 30 miles northeast of San Angelo, the first production on the Robert Lee Prospect was obtained in McCutchen B-1. This discovery well had an initial production of 179 barrels per day of 42.6-gravity oil flowing through a 1/4-inch choke. The producing zone extends from a depth of 3,965 to 3,998 feet. This discovery has been confirmed in the drilling McCutchen B-2. The Texas Railroad Commission potential for this well is 1,320 barrels per day based on the first two-hours' flow from perforations between 3,968 and 3,980 feet in depth. Union Oil has more than 17,000 acres in this area, and continued development of the field is planned.

from Sam Grinsfelder

● **MANUFACTURING** The demand for petroleum products continues at a very high level, requiring that our refineries operate at maximum capacity.

Production of interim winter grade motor gasolines started in September. Specifications will change gradually until November 10, when the full winter motor gasoline specification will be in effect.

Demand for Unoba Grease has increased 50 per cent in the past 12 months.

The reactivation of idle wartime aviation gasoline

plants at Los Angeles Refinery is being considered, due to the military demand for aviation gasoline.

from K. E. Kingman

● **INDUSTRIAL RELATIONS** Announcement has been made that, effective September 16, a wage increase of 6 per cent, with a minimum of \$17 per month for monthly rated employees and a minimum of 10 cents per hour for daily rated employees, was granted to all Union Oilers except those represented by an authorized bargaining agent, marine seagoing personnel, those in foreign service, and employees receiving a salary in excess of \$1000 per month.

The Company's lost-time accident frequency is lower than at any time since the complete recording of such data was started in 1928, and our lost-time accident rate is lower than that of the oil industry's average. We have enjoyed a steady improvement since 1943. In that year Union Oilers suffered 22 lost-time accidents per million man-hours worked. Our present frequency range shows only 7 lost-time accidents per million man hours. Management is extremely pleased with this excellent showing. National Safety Council records show that, based on the national average, a Union Oil employee is twice as liable to be disabled by accidents off the job than at work.

A formal program for Employee Development has been in operation in the Marketing Territories for the past seven months. Through a system of planned counseling, each employee is given guidance of a self-improvement nature every six months. Both employees and supervisors have expressed enthusiastic approval of the program.

Negotiations are presently in progress with the Oil Workers International, C.I.O. with the objective of ar-

iving at a new contract. Subject to ratification by its members, this union has accepted the wage increase of 6 per cent, with a minimum of 10 cents an hour for daily rated employees.

The Independent Union of Petroleum Workers reopened their contract in September. This group has accepted the wage increase of 6 per cent, with a minimum of 10 cents an hour for daily rated employees.

Up to September 1, 68 Union Oilers had been granted leave of absence to enter military service. Of this number, 37 had one year or more of Company service and 31 had less than a year.

from W. C. Stevenson

● **MARKETING** In an effort to acquire a larger share of the refined petroleum wax market within our domestic territory, Refinery Sales has assigned the responsibility of developing new markets and new applications of Aristowax to Gordon K. Reid. Each Territory is also assigning a qualified representative to this activity. Earlier in the year Aristowax was being produced in large surplus, reaching a peak inventory of 4,000,000 pounds. This has been liquidated during the past 60 days.

● **RESEARCH** *Gradually taking shape among citrus orchards and oil fields near Brea, California, is the Company's new \$5,000,000 Research Center. When completed during 1951, it should prove to be a great asset to the Company, the industry, and Orange County.*



A. E. Grogan, special representative with headquarters at Chicago, has been assigned the responsibility of acquiring and supervising qualified distributors of our branded motor oils and Unoba greases throughout the East. Previously, Grogan was supervisor of retail sales activities, Head Office.

Royal Triton Motor Oil is now being sold by 693 service stations in the New York area, 289 in Chicago, 55 in Minneapolis, 113 in Houston, 74 in Kansas City, and 13 in New Orleans areas. These retail outlets, together with 12 wholesale distributors handling our products, are increasing monthly.

Foreign Sales has appointed Paul C. Perry district manager in the Panama Canal Zone, effective September 1, 1950. He replaces R. C. Worsley, retired, and reports to S. J. Meares, Central American division manager. Prior to the Canal Zone appointment, Perry was a member of the Foreign Sales staff, Head Office.

Effective August 1, 1950, H. R. Greatwood was appointed district manager, Japan, and has established a Union Oil Company office at Tokyo. He has served the Company for 22 years in a variety of Foreign Sales assignments.

from Roy Linden

● **PURCHASING** Commodities now in critical supply include tubular goods, copper products, tetraethyl lead, some items made from light-gauge steel sheets, some heavy chemicals and other miscellaneous items.

Steel mills, operating at capacity for many months, have barely kept pace with civilian demands for pipe, fittings, automobiles, containers, etc. The reopening of synthetic rubber plants will throw an additional burden on the heavy chemical industry, already operating at more than normal capacity. Reimposition of the tariff on imported copper has not deterred the importation of this metal to meet current requirements and, in addition to this, many marginal mines are reopening to help meet the heavy demand. Fiberboard production capacity, already taxed to the limit, will have to curtail some of its civilian output to meet military requirements for waterproof "V" board used in export packaging.

Industry as a whole is meeting this challenge without the hysteria that has characterized public buying. Advance planning, voluntary allocations by manufacturers, and the discouraging of hoarding have resulted to date in a fair distribution of essential items. Whether or not we can continue to have both butter and guns will be dependent on the trend of our international affairs.

from E. H. Weaver



Exactly as salesmen Bretthauer and Bragg surmised, Mrs. Bretthauer was so elated with the first-prize coffee maker that she insisted on serving both coffee and pie.

AS a sort of warm-up exercise for Marketing's big Company-wide "Sell-E-Bration," Northwest Territory sponsored a three-months sales contest of its own. Emphasis was placed on getting our oils and greases into the hands of new accounts.

To provide some extra incentive, it was announced that first, second and third prizes would be given for the best sales performances turned in by consignee stations, marine stations and Company-operated marketing stations.

When the ensuing *unrest* had subsided, we found that our Portland District had made a clean sweep of all three first places. Seaside was first among the consignees; Astoria Marine dominated the waterfront; and Cornelius was well ahead of all other Company-operated marketing stations. Each of the winners went home carrying a beautiful new electric coffee-maker to the missus. Second place winners had new waffle irons in which to brown their morning's batter. And even the

Portland's Stimulating Victory

By Gudrun Larsen

F. L. Wood of Beaverton, Oregon, won a third-prize electric corn popper, which pleased Joan and Richard no end and intrigued Mrs. Wood because of its all-purpose usefulness.





L-R, contest champions M. R. Payne, Gaylord Jackson, Fred Bretthauer and Hugo Seaberg join H. W. Bragg, Portland district sales manager, in sampling the fruits of victory.

third-raters came off with something better than popcorn; their particular electric prize will heat soup, cook cereal, fry onions and warm the baby's bottle, besides popping the corn it was especially designed for.

Accustomed to leaving no detail neglected, Portland's district sales manager, "Hoot" Bragg, and several associates were only a few steps behind the homeward-bound winners. Each electric coffee-maker was duly unwrapped and initiated, after which the imbibers grew in number and marched on to the next lucky household. After numerous coffees, waffles and practically all of Mrs. Fred Bretthauer's freshly baked pie, those having unlimited capacities journeyed on to Beaverton, Oregon, for popcorn. There, Joan and Richard, children of Resident Manager F. L. Wood, cooked up the best popped batch we have ever tasted.

Union Oilers who are being congratulated for their first-place achievements in this spirited contest are M. R. Payne, Hugo Seeborg and James Seeborg of Astoria Marine Terminal; Gaylord Jackson and Wayne L. Jackson of the consignee-operated marketing station at Seaside; and W. H. Winters, J. W. Wollworth, F. Bretthauer, M. D. Horn, J. T. Mutchler and H. R. Sigler of the Company-operated marketing station at Cornelius.



Fred Bretthauer was also winner of a monthly prize, which Manager Bragg described in a clearly audible tone of voice as being "a set of steak knives ready for immediate use."

“Prefer Steady Employment”

ON August 27th, Hubert Ferry, assistant to Vice President Rubel, summoned his secretary and announced: “Miss Hesser, I believe you may consider yourself permanently employed.” The secretary was a little mystified by this announcement until she noticed the boss was examining her original application for Union Oil employment. It was dated August 27, 1920. Thirty years ago, in answer to the question “Will you accept temporary employment?” she had written “Yes, but I prefer steady employment.”

Arah Hesser is, of course, not the first lady to contribute 30 or more years of loyal service to Union Oil. However, there is an exceptional fact regarding her record that probably has not been duplicated. During those three decades she has worked exclusively for one and the same supervisor. Hubert Ferry, who preceded Miss Hesser on the Company payroll by only three years, originally hired her and has stuck by his good judgment ever since. He relates that Arah’s mother interviewed Hubert Ferry the day Arah came to work.



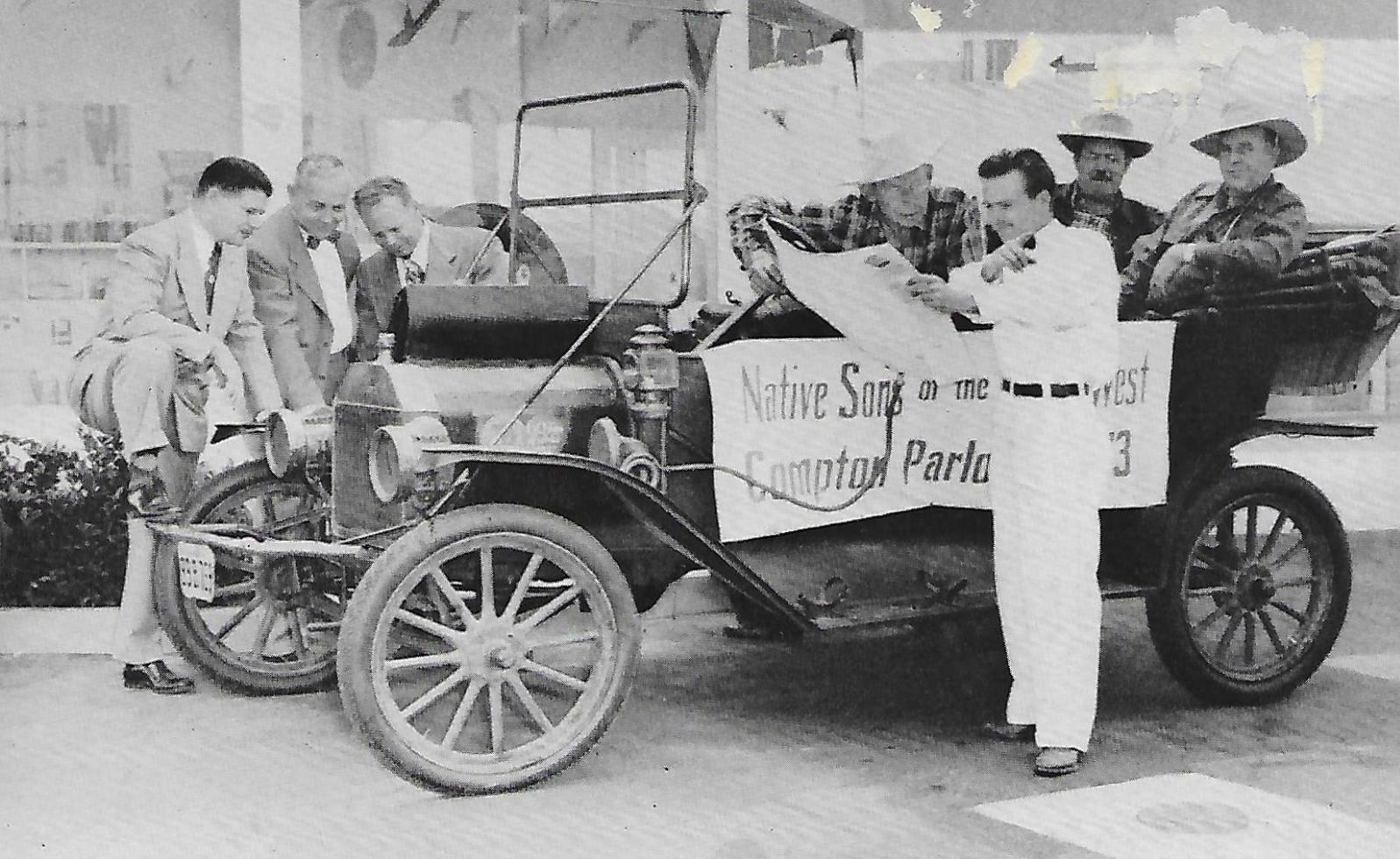
Pause That Refreshes

POSSIBLY one big reason why the *coke* has become almost internationally *refreshing* is that the Coca Cola Company understands the value of convenience. Wherever you go these days there’s fingertip refreshment—a bright red machine waiting to dispense cold drinks by the bottle or paper cup and advising the world to “drink Coca Cola.”

But effective modern advertising goes a little more than product-deep. Now the paper drinking cups are being made available with several pertinent safety slogans printed on the outside. While you refresh the body, why not refresh the mind with a good thought or two about Safety?

Marty Gould, fire and safety specialist in our Research Department, upheld Union Oil’s tradition of being first with the best in petroleum by accepting the new Coca Cola offer. It cost him only a dime to determine, right, whether Verlene Scheurman, Research stenographer, would tune in on the cup’s exterior. Verlene responded beautifully.





L-R, Union Oilers E. L. Benson, L. W. Janes and Willard Coie examine "22 horses" under the hood; driver W. G. Hopcraft and C. T. Griffiths discuss the overland trail; while Von R. Kaiser and Ray Olmsted enjoy the 1911 motoring thrills.

A Pair of Thirty by Threes

As told by L. W. Janes

YESSIR, when three sourdoughs recently pulled the emergency brake to sample some of Union Oil's super service, we were a little nonplused, which, to save you from looking it up, means "up a stump". For not only did these characters want free air, they wanted two front tires for toting it up to San Francisco in—size 30 x 3, mind you!

Now, to you folks of the 600 x 16 generation or later, a 30 x 3 is, from an automotive standpoint, about in the same class with dinosaur eggs. Even the tire molds that used to lay 'em are probably gathering dust in some museum.

But the Company proved itself equal to this *high pressure* proposition. When all other possibilities were exhausted, Public Relations needled Purchasing, Purchasing needled Firestone, Firestone wired their factory at Akron, Akron traced a pair of serial numbers to San Diego, and from San Diego finally came the two 30 by 3's.

Well, you never saw better pleased customers than Hopcraft, Kaiser and Olmsted. They broke out a jug of

root beer and confessed to being Native Sons of the Golden West from Compton Parlor 273. They were taking their 22-horsepower 1911 Model Y Ford north to attend the California Centennial Celebration in San Francisco. In a burst of appreciation, they filled the nearly dry gas tank with "76"; added Motoreze to the crankcase until oil began to drip from the upper petcock; and filled the tail light and dash lamps with Union Kerosene.

In the excitement of setting a new Model Y record (about three days) for the run to San Francisco, our friends pushed the left pedal into low gear and got away without leaving as much as a dime on the barrel-head or even signing a credit order. Our credit office in San Francisco may distinguish the car from all other Model Y's on Market Street by "76/60" tattoo marks on the hood's port and starboard sides. The car is registered in the name of one Floyd Davis, president of Compton Parlor 273, who allegedly purchased it in 1932 for—guess what? Two tires!

Benefits Increase—cont. from page 16

security office. A person 65 or over, who has been employed in work covered by social security, should go to that office for advice about his insurance status, even though he has not yet retired.

Do those already receiving old-age and survivors insurance benefits have to file new claims to get the larger benefits?

No. The law provides that all benefits in effect at the time the law was changed will be raised under the special table of benefit increases. Beneficiaries received the larger amounts beginning with the September checks issued early in October, 1950.

Does a person have to be in need before he can claim benefits?

No. This is an insurance program. A retired worker, his wife or widow, and minor children may qualify for benefits without regard to their financial resources, such as savings, property or other insurance. Husbands, widowers and parents, however, must establish that the worker on whose record they claim benefits had been furnishing at least half of their support.

Can a person receive monthly insurance benefits if he has earnings from work?

Beneficiaries aged 75 and over may receive benefits regardless of the amount of their earnings. A beneficiary under that age will have his benefits suspended if he does more than a limited amount of work. If he works for wages in covered employment, he may earn as much as \$50 in a month and still accept his social security check for that month. If he engages in covered self-employment and his earnings are in excess of \$600 during a taxable year, his benefits are not payable for those months in which he is so engaged. When an individual works for wages which would

cause a suspension of his benefits or is engaged in self-employment and expects to have net earnings from self-employment which may result in a suspension of benefits, he should report to the nearest social security field office immediately.

Can a person receive monthly insurance payments if he has income from any sources besides earnings from work?

Yes. Once a person has qualified for benefits, he may receive payments even though he has income from capital investment, such as annuities, rentals from real estate, dividends from stock, or interest on bonds.

Are World War II servicemen's rights under social security affected by the new law?

Yes. The amended law provides wage credits of \$160 for each month of active military or naval service in World War II. This applies to men and women who had 90 days or more of active military service between September 16, 1940, and July 24, 1947, and were not dishonorably discharged. Those who died in service or were discharged because of service-connected disability are not required to have 90 days of service.

Will these wage credits be affected by Veterans Administration pension or compensation?

No. Veterans Administration payments will not affect social security benefits under the new law. However, if other Federal retirement benefits are based on the veteran's military or naval service in World War II, these special wage credits will not be counted toward social security benefits.

Answers to other questions regarding provisions of the amended Social Security Act may be obtained through your local security office, through Union Oil personnel representatives, or by addressing your inquiry to ON TOUR.



SERVICE BIRTHDAY AWARDS

OCTOBER, 1950

Thirty Years

Atwood, Charles G., Central Territory
Fiske, Marvin L., H. O. Refinery Sales
Henderlong, Ralph W., Central Territory
Ivy, Jack C., L. A. Refinery Mfg.
Philbrick, Fred, No. Div. Pipe Line

Twenty-Five Years

Braykovich, Mathew, Oleum Ref. Mfg.

Furtado, Joseph S., Oleum Refinery Mfg.
Hallander, Stanley E., Oleum Ref. Mfg.
McQuiston, Thomas, Northwest Territory
Nisson, Byron B., Oleum Refinery Mfg.
Millard, Harriet C., Southwest Territory

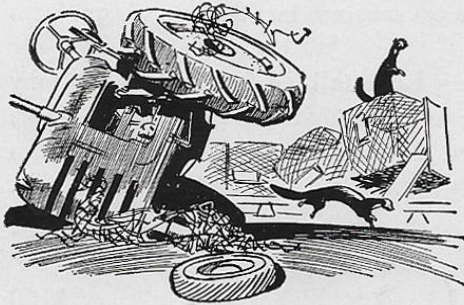
Fifteen Years

Evans, David J. W., Southwest Territory
Renck, Charles H., H. O. Comptroller's
Shamblen, Clifford C., Texas Field

Ten Years

Dobson, Charles M., Cut Bank—Mont.
Fair, Gail W., L. A. Refinery Mfg.
Folks, Gordon James, L. A. Ref. Mfg.
Geach, Edwin A., L. A. Refinery Mfg.
Knapp, Alfred O., Research—Wlmgtn.
Luman, Vernon M., L. A. Refinery Mfg.
Mangold, Melvin Henry, L. A. Ref. Mfg.
Millsap, Jack Ernest, L. A. Refinery Mfg.
Pala, Andrew D., Jr., Southwest Terr.
Ralston, Manford M., Research—Wlmgtn.

Are minks like people?

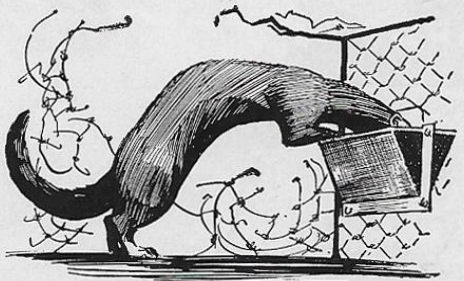


1. On a mink farm northwest of Chicago recently, a driverless tractor got away and cracked open the mink pens. Eighty-seven minks worth \$195 apiece slipped through the holes and lit out for freedom.*

*As reported by the Alka-Seltzer Newspaper of the Air over the Mutual-Don Lee network.



2. Ordinarily, a free mink in his natural state would have set up housekeeping alongside the nearest stream and started hunting. But apparently these minks had been in captivity so long they didn't have enough gumption left to provide for themselves.



3. Breakfast-time next morning found many of them back in their broken pens. And by suppertime practically all of the minks had voluntarily returned to captivity. To some political philosophers, the moral of this little incident would be simple — security is more desirable than freedom.



4. If the sole purpose of life on this troubled planet is to provide fur coats for the state, they are right. But we're inclined to think differently. And we believe the minks of last year's crop — now gracing the backs of lady operagoers — would agree with us.



5. We think this proves again that the price of freedom is *independence*. Dependence is like dope. At first it is pleasant, but eventually it enslaves us. The more men depend on the state the less freedom they have. The longer they live in security and captivity the harder it is to learn to live as free men again.

UNION OIL COMPANY OF CALIFORNIA

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This series, sponsored by the people of Union Oil Company, is dedicated to a discussion of how and why American business functions. We hope you'll feel free to send in any suggestions or criticisms you have to offer. Write: The President, Union Oil Company, Union Oil Building, Los Angeles 17, Calif.