



DECEMBER 1950

*“On Tour”*



VOL. 12, NO. 11  
DECEMBER 1950

## In This Issue

ANTIDOTE FOR COMMUNISM.....	3
SIXTY YEARS YOUNG.....	6
WHO PROFITS FROM WAR.....	8
"76" VIEWS OF REFINING.....	10
INDUSTRIAL SUMMARY.....	14
FULL-COVERAGE PROTECTION.....	17
FIRST IN PEACE.....	20
EXTINGUISHMENT AT WAR.....	21
ORGANIZATION CHANGES.....	22
IN MY OPINION.....	23
SERVICE BIRTHDAY AWARDS.....	23
THE CHEAPEST TRANSPORTATION YOU CAN BUY TODAY.....	24

This month's cover is the photographic accomplishment of Union Oiler "Lucky" Allen.

T. D. Collett..... Editor  
R. C. Hagen..... Asst. Editor

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.

*In a great many lands and in a great many languages, people at this time of year are exchanging season's greetings. But there are also many people in many lands who are forbidden to enjoy these holidays.*

*So as we wish each other a MERRY CHRISTMAS and a HAPPY NEW YEAR, let's pause and give thanks for the many blessings that we have and pray that future generations of Americans will always know the meaning of—*

MERRY CHRISTMAS

*Peace H. Taylor*



# Antidote

## For

# COMMUNISM



*(We present on this page extracts from a letter written by Jan J. Erteszek, a naturalized American who is a successful businessman in Los Angeles. He was born in Poland and received the degree of Doctor of Laws at the University of Cracow. He spent 1939 and 1940 in the Russian part of Poland. His descent and background give him an understanding of the Slavic mind. This, together with his Americanism, enables him to make a convincing presentation of the faith needed to combat world communism.—David Lawrence, Editor of U. S. News)*

**T**HE MAIN DIFFERENCE between Communism and our philosophy of life is of a spiritual character and revolves around beliefs pertaining to the nature and destiny of human beings. Thus, it is in the realm of faith that our conflict must be fought out.

We might defeat the Russians by force of arms alone but never will we defeat Communism by force of arms alone. If we lose the spiritual battle, we will have gained nothing except chaos and spiritual vacuum.

The main precept of our philosophy of life is not democracy, but our faith in God—consequently also our belief in sovereignty of the soul and dignity of human beings. As believers we follow, obey and seek God. Our founding fathers have thought democracy to be the best system of government to fulfill the spiritual objectives and aims for which they have come to America.

Communists, on the contrary, live without and against God. Our lives are determined by morality—theirs by expediency; ours by belief in the higher destiny of the

human being—theirs by contempt of his limitations; ours by hope and faith—theirs by material gain and human greed; ours by brotherly love—theirs by class hatred; ours by trust—theirs by cunning.

**D**emocracy is a system of government—the best that has been known to civilized people, but it is not the common denominator of all righteous peoples of the world.

Only to the American has the word “democracy” an emotional appeal. For better or for worse, it is absolutely meaningless to the great mass of little people in the rest of the world. If they are sufficiently educated, and most of them are not, it will be at best for them an intellectual or political term. I can assure you, however, that the Polish peasant, the Russian worker, the South American peon or the Hindu untouchable does not emotionally react to the term “democracy.”

No system or way of life has survived once it was satisfied to limit its efforts to its own preservation. We

must not be content just in preservation of our way of life alone. We must have an ideal which in free interplay of social and spiritual forces will find its prophets, its zealots, its missionaries, and its converts.

Our great moral cause must be an expansive, positive, universal ideal. On behalf of this ideal, we must be ready to crusade among all the peoples of the world, to rally universally the masses to our standards and lead them to a better and nobler tomorrow.

God only, and our trust in Him, is the great moral cause in which we differ from the Communist. God, and trust in Him, is the common denominator between us and all peoples of the world.

One cannot serve God and Communism at the same time. When one chooses to serve Communism he has made a decision to "sell his soul," either for material gain or other advantage. He has decided to trade his freedom for whatever gain he has been promised individually or for a group. The Communist chooses to become a spiritual and, in due course, a physical slave. Once he becomes a slave he is at the mercy of his masters who do not deem it necessary to keep their promises to their slaves. Thus, he serves the cause of Evil.

It is God against Devil, as basic and simple as that. There is no choice in between. All the people, humble and mighty, educated and simple, know where God is, and where Evil is. One does not need for this intellectual speculation. There is a divine spark in every human being no matter on which side of the fence he is, and it can be kindled into a great fire against evil and for justice under God, for peace, brotherly love, freedom, and equality, for a nobler and better tomorrow.

If we truly believe in Godly justice, we must find a solution for human ills, for privation, for race and class hatred. In the economic field, we must support a thorough land reform in all agricultural countries. We cannot close our eyes to the plight of millions of land-poor and landless peasants. We must provide them with tools to pursue their endeavors. For the rest of the people we must give assurance of the right to work at a decent wage. Land reform and the privilege to work for a decent wage will not destroy the capitalistic system of economy but, on the contrary, will remove its greatest weakness—the fear and frustrations of the contemporary man. It is the frustrated and fearful men who are the Communist's prey.

The Red horde is on the move, the time is running out fast. If we do not win this spiritual conflict, nothing will matter. Let's take the banner and lead the fight.

Reprinted from U. S. News & World Report, an independent weekly magazine on national and international affairs, published at Washington. Copyright 1950 United States News Publishing Corporation.

## The Gospel According to St. Matthew

AND when they were come into the house, they saw the young child with Mary his mother, and fell down, and worshipped him: and when they had opened their treasures, they presented unto him gifts; gold, and frankincense, and myrrh.

And being warned of God in a dream that they should not return to Herod, they departed into their own country another way.

And when they were departed, behold, the angel of the Lord appeareth to Joseph in a dream, saying, Arise, and take the young child and his mother, and flee into Egypt, and be thou there until I bring thee word; for Herod will seek the young child to destroy him.

But when Herod was dead, behold, an angel of the Lord appeareth in a dream to Joseph in Egypt,

Saying, Arise, and take the young child and his mother and go into the land of Israel.

And Jesus went about all Galilee teaching in their synagogues, and preaching the gospel of the kingdom, and healing all manner of sickness and all manner of disease among the people.

And seeing the multitudes, he went up into a mountain; and when he was set, his disciples came unto him:

And he opened his mouth, and taught them, saying,

Ye have heard it hath been said, An eye for an eye, and a tooth for a tooth:

But I say unto you, That ye resist not evil: but whosoever shall smite thee on thy right cheek, turn to him the other also.

And if any man will sue thee at the law, and take away thy coat, let him have thy cloak also.

And whosoever shall compel thee to go a mile, go with him twain.

Give to him that asketh thee, and from him that would borrow of thee turn not thou away.

Beware of false prophets, which come to you in sheep's clothing, but inwardly they are ravening wolves.

Ye shall know them by their fruits. Do men

gather grapes of thorns, or figs of thistles?

Even so every good tree bringeth forth good fruit; but a corrupt tree bringeth forth evil fruit.

A good tree cannot bring forth evil fruit, neither can a corrupt tree bring forth good fruit.

Every tree that bringeth not forth good fruit is hewn down, and cast into the fire.

Wherefore by their fruits ye shall know them.

Then one of them, which was a lawyer, asked him a question, tempting him, and saying,

Master, which is the great commandment in the law?

Jesus said unto him, Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind.

This is the first and great commandment.

And the second is like unto it, Thou shalt love thy neighbour as thyself.

On these two commandments hang all the law and the prophets.

When the morning was come, all the chief priests and elders of the people took counsel against Jesus to put him to death.

And when they had bound him, they led him away, and delivered him to Pontius Pilate the governor.

When Pilate saw that he could prevail nothing, but that rather a tumult was made, he took water, and washed his hands before the multitude, saying, I am innocent of the blood of this just person: see ye to it.

Then answered all the people and said, His blood be on us, and on our children.

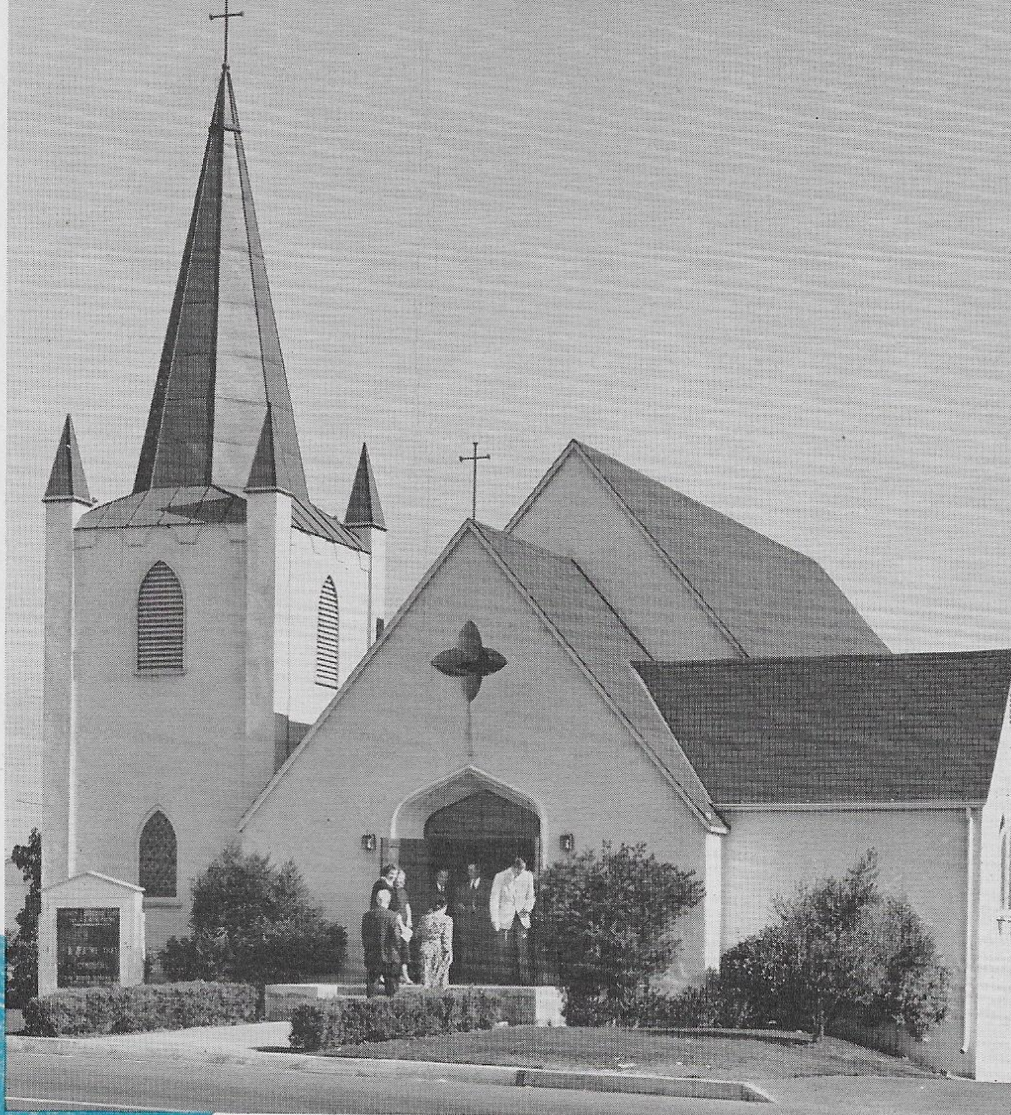
Then released he Barabbas unto them: and when he had scourged Jesus, he delivered him to be crucified.

In the end of the sabbath, as it began to dawn toward the first day of the week, came Mary Magdalene and the other Mary to see the sepulchre.

And, behold, there was a great earthquake: for the angel of the Lord descended from heaven, and came and rolled back the stone from the door, and sat upon it.

And the angel answered and said unto the women, Fear not ye: for I know that ye seek Jesus, which was crucified.

He is not here: for he is risen, as he said. Come, see the place where the Lord lay.



CHURCH AND STATE were effectively separated under provisions of the United States Constitution. But churches have been a great and good influence in molding the thought and character of American people.

Although many different creeds exist among our various churches, nearly all have one thing in common—The Holy Bible. Here, particularly in the New Testament, is found Christ's pattern of human behavior, a code of conduct which, if universally followed, would bring about lasting peace and the end of mankind's sorrest afflictions.

Our adoption of the Christian code has been slow. Nevertheless, millions have received its blessings of faith and enlightenment pertaining to life here and hereafter. And millions of others at home and abroad have benefited from the applied Christianity of the faithful. Love of God and of neighbor are continually being manifested by our church-inspired good deeds.

Why not invest an hour of your time each Sunday during 1951 in church? At least it will bring no harm. At best it will supplant our fears and frustrations with genuine happiness.



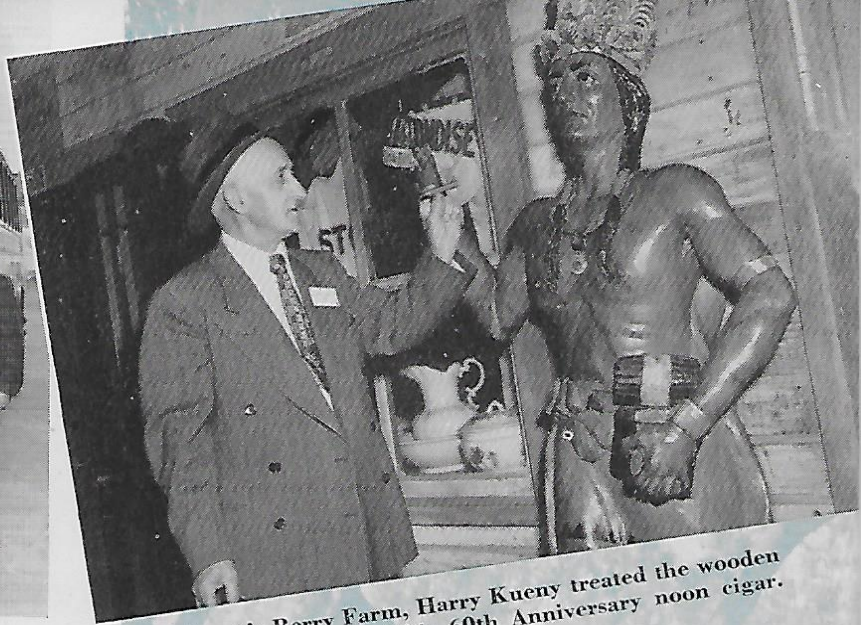
The 35-year party, just up from breakfast but hungry for adventure, met outside Head Office for the tour.

## Sixty Years Young

COMMEMORATING the day of its founding back in 1890, Union Oil celebrated its 60th anniversary by summoning all employees having 35, 40 or 45 years of service to October 17th festivities in Los Angeles.

The eventful day began with a special bus tour through Los Angeles to our interesting drilling operations in a residential area near Whittier. The group saw their new Research Center being constructed near Brea. They paused at famous Knott's Berry Farm for two hours of excellent food and entertainment. In the after-

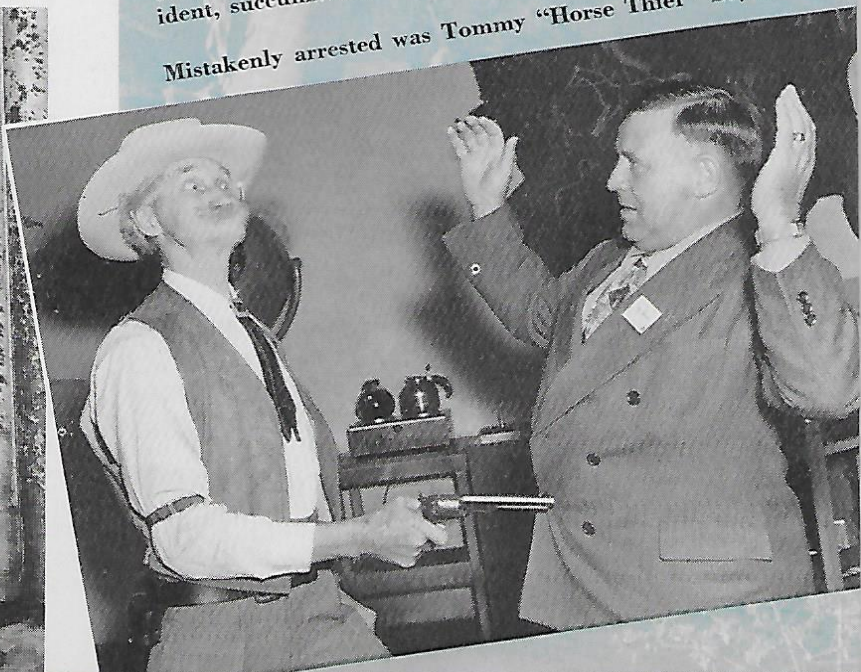
Stats, Shea, Stevens and Bryant, Union Oilers for 35 years, paid their first visit to an oil well. Basil Kantzer, center, explained drilling techniques at Sansinena well.

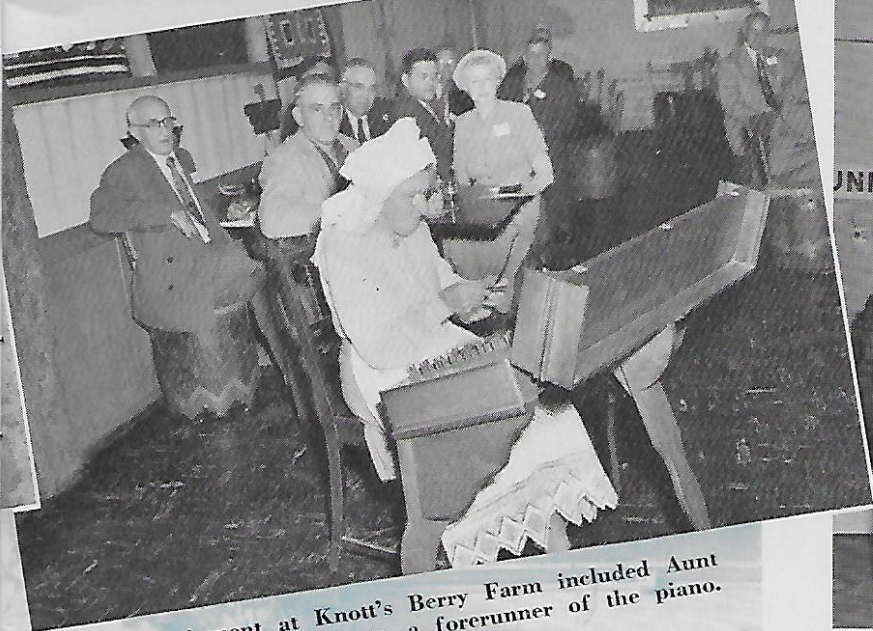


At Knott's Berry Farm, Harry Kueny treated the wooden Indian to a whiff of his 60th Anniversary noon cigar.



Above, Clara Boggeman, only woman among the honored guests, and Marjorie Gleason, secretary to the president, succumbed to the whistle of two gay Westerners. Mistakenly arrested was Tommy "Horse Thief" Bryant.





Entertainment at Knott's Berry Farm included Aunt Nellie and her dulcimer, a forerunner of the piano.



L-R, Veterans Tune, Clevenger, Stevens, Hancock, Shelton, Harrington and Schmidt took serious interest in John Towler's description of Los Angeles Refinery.



Above, Thomas F. G. Boyd demonstrated while cold sober how hitching posts were meant for man or beast.

Tipped off by a poster, Irving Hancock called attention to Miss Boggeman's previously concealed dance-hall past.



noon they were guests of Los Angeles Refinery during a quick tour of the buildings and grounds. And, when day was done, all joined with members of management at the California Club for dinner and the annual presentation of gold watches to 35-year employees.

Honored guests at this year's celebration were Clara M. Boggeman, Thomas F. G. Boyd, Thomas W. Bryant, Porter S. Clevenger, Irving J. Hancock, Jack E. Harrington, Harry B. Kueny, John E. Schmidt, Grant L. Shaw, James J. Shea, William M. Shelton, Luby G. Stats, Elmer C. Stevens, Lee A. Tune and Vivian E. Washbon. Invited also but unable to attend was Alfred C. Powell, who has attained 45 years continuous service.

One of 12 thirty-five year men to receive watches from President Taylor, Vivian Washbon, right, expressed the hope that Union Oil will have many such birthdays.





# Who Profits From War?

By Fred G. Clark and Richard Stanton Rimanoczy  
For The American Economic Foundation

## I

THE prospect of a long period of at least a semi-war economy has brought on a rash of press releases, speeches, and articles against "war profiteers."

The idea is that when our young men are being uprooted from their homes and marched into battle, business profit automatically becomes an evil to be blasted and defamed from every rostrum, pulpit, and editorial room.

The ancient superstition that Wall Street loves war is always good speech material for use upon the anxious and disturbed minds of parents and wives.

The truthful accounts of the price-gouging racketeers of past wars, who, in collusion with dishonest military officials, made their filthy fortunes selling defective muskets, paper shoes, shoddy uniforms, and spoiled food, furnish a factual backdrop for a nonfactual current situation.

The description of gigantic corporations ready to squeeze the helpless and hapless people between the pincers of high prices and controlled shortages is always good for a headline.

## II

There can be no doubt that the people have a right to know and should be told the facts concerning who gets how much out of the feverish production periods called war booms.

*But it is also right that the people should know the whole truth, not just part of it.*

The statistics of the last war (or is this part of the same one?) furnish all the facts we need to get at the truth as to who got how much out of it.

Let's keep it simple by dividing the total national personal income into its two natural parts: *income from working* and *income from the ownership of property*.

The U. S. Department of Commerce calls income from working "labor payments"; so let's call the other "property payments."

Labor payments include the income of all wage and salary earners, farmers, self-employed, and professional people.

Property payments include rent, dividends, and interest.



The only amounts left out of the national personal income are pensions and gifts, and they are not large enough to be missed from the total.

### III

Now, let's see what the war years of 1942, 1943, 1944, and 1945 did to the division of labor payments and property payments.

To make sure that we get a good comparison, let's also look at the four-year period preceding 1942 and the four-year period following 1945.

To get a *simple* comparison, let's drop the billions of dollar signs involved and work with percentages of the whole.

Here is what we find:

Year	Labor Payments	Property Payments
1938.....	81.9%	18.1%
1939.....	82.0	18.0
1940.....	82.8	17.2
1941.....	84.7	15.3
1942.....	87.5	12.5
1943.....	89.2	10.8
1944.....	89.6	10.4
1945.....	89.5	10.5
1946.....	88.2	11.8
1947.....	88.1	11.9
1948.....	88.2	11.8
1949.....	87.5	12.5

The trend for 1950 shows no change from 1949.

### IV

Now that we know the comparative size of the property payments, let's see how they were divided up between the "rich," the "middle class," and the "poor."

The latest year for which the Government has issued complete, detailed figures being 1946, let's use that.

Let's start with the income from stocks and bonds—that is, dividends and interest.

The "poor" people, whose total income was less than \$5,000, received 69.4% of the dividends and interest.

The "middle class," whose total income was \$5,000 to \$25,000, received 15.8%.

The "rich," with total incomes over \$25,000, received 14.8% (which, after taxes, shrunk to 4.2%).

In the distribution of rent payments we find the "poor" receiving 83.1%, the "middle class" receiving 12.8%, which, before taxes, left 4.1% for the "rich" (and, after taxes, 1.1%).

Putting all the property payments together we find the "poor" receiving 72.9%, the "middle class" 15%, and the "rich," before taxes, 12.1% (and, after taxes, 3.5%).

All of these figures are based on official Government statistics compiled by the Bureau of Economic Research of the University of Notre Dame.

### V

For those readers who may be amazed at these truths because they seem to contradict the huge sums of money reported as property earnings, we suggest that they bear in mind the even greater dollar increases that took place in the labor payments.

Few people would deny that common justice requires that when labor payments increase, property payments should also increase.

But, during the last war, property payments *went down* in comparison to labor payments.

Ordinary decency requires all of us to realize and remember that the 50,000,000 Americans who have put their savings into real estate, stocks, bonds, and life insurance, *did so with the expectation of receiving payments*: in fact, millions of old folks depend almost entirely upon property payments for their food, shelter, and clothing.

So when we hear the baying of the hounds on the trail of war profiteers, before we decide to run with the pack, let's demand the facts instead of the fiction.

## Now Get In There and Pitch!

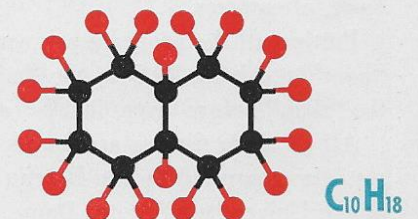
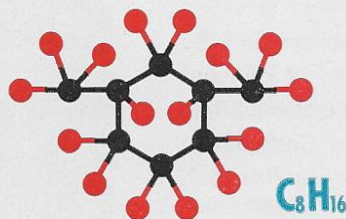
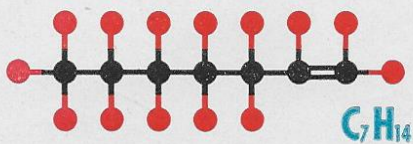
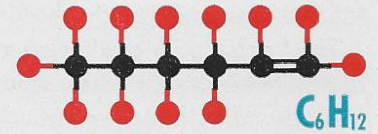
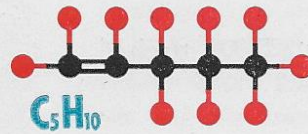
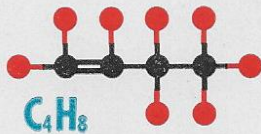
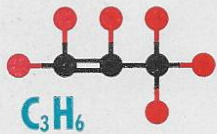
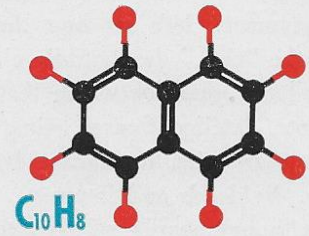
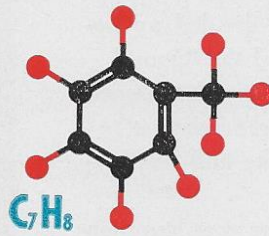
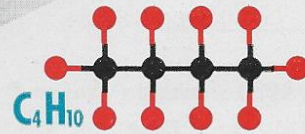
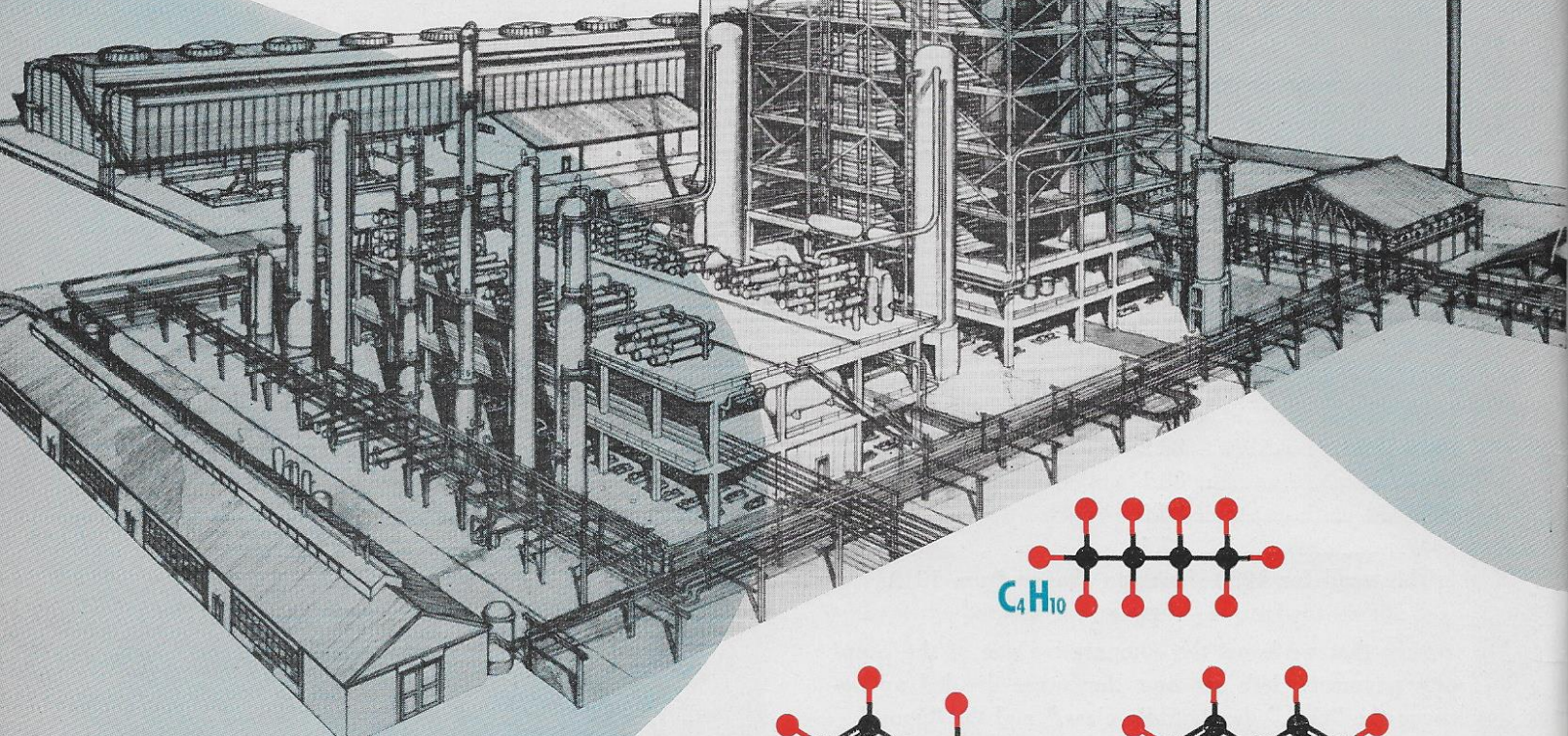
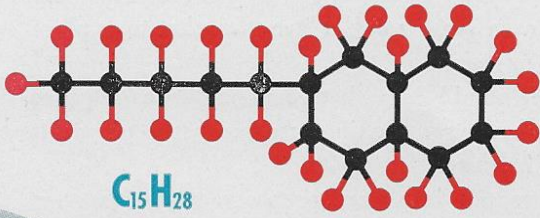


Cartoon by Bruce Russell reproduced through courtesy of Los Angeles Times.

● Carbon

● Hydrogen

"76" VIE



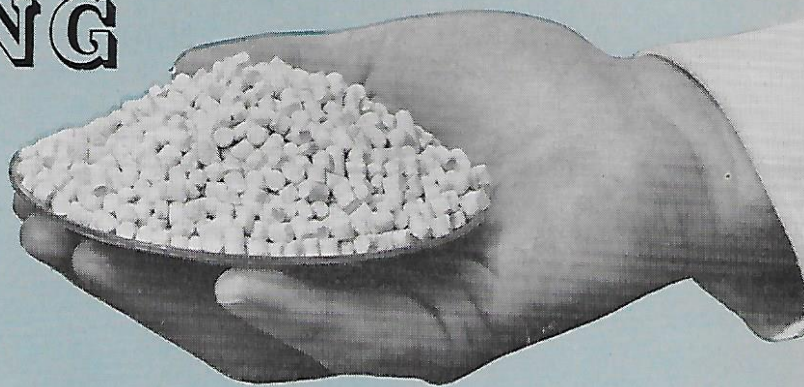
# WS OF REFINING

**38. Cracking** of heavy oils into lighter oils is best understood by thinking of it in terms of hydrocarbon molecules.

Shown at top of the hydrocarbon stream, left, is amyl decalin ( $C_{15}H_{28}$ ), a typical representative of many hydrocarbons known to comprise gas oil. When such molecules are heated to vapor form and exposed to a type of substance known as *catalyst*, they frequently break up or *crack* into smaller molecules.

A few of the smaller molecules that result from the *cracking* of gas oil are also symbolized here, namely, butane ( $C_4H_{10}$ ) of the paraffin family; toluene ( $C_7H_8$ ) and naphthalene ( $C_{10}H_8$ ) of the aromatic family; propene ( $C_3H_6$ ), butene ( $C_4H_8$ ), amylene ( $C_5H_{10}$ ), hexene ( $C_6H_{12}$ ) and heptene ( $C_7H_{14}$ ) of the olefin family; dimethyl cyclo hexane ( $C_8H_{16}$ ) and decalin ( $C_{10}H_{18}$ ) of the naphthene family.

Briefly, then, *cracking* is the oil industry's term for breaking big molecules into little ones—for converting products for which there is a limited demand into products having wide usefulness and greater demand—specifically, in this instance, for converting gas oil into high quality gasolines.



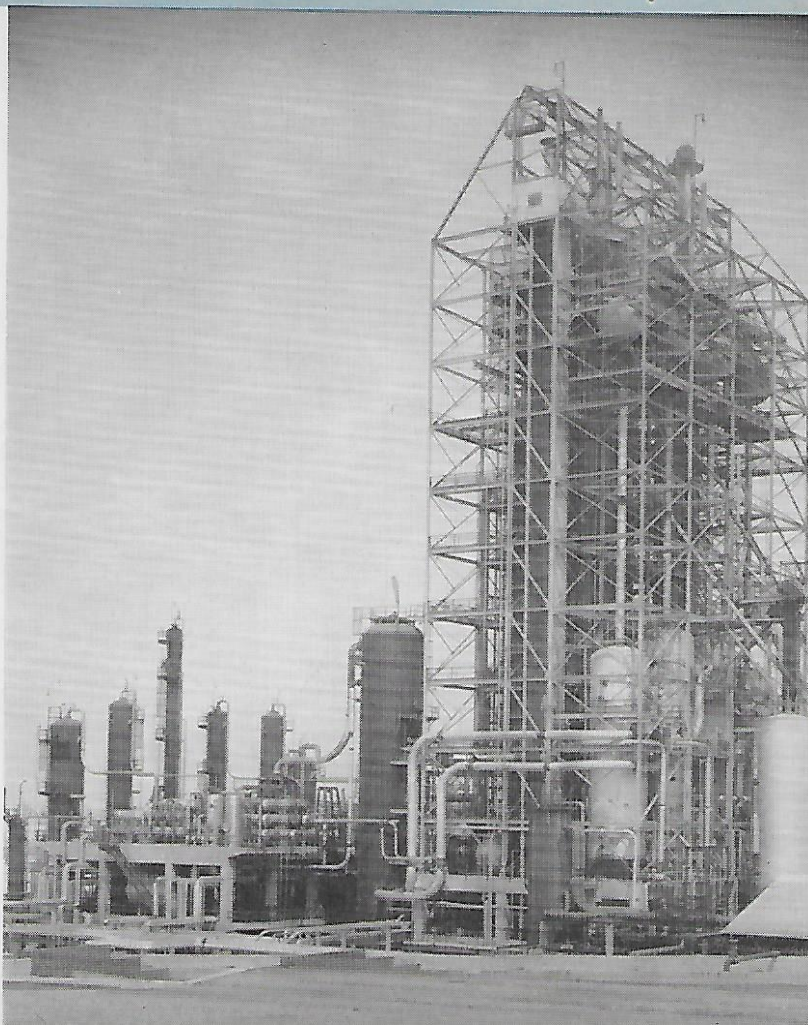
**39. Catalyst** is the name applied by chemists to any substance that will bring about or hasten chemical reaction among other substances without undergoing chemical change itself. As applied to the refining process under discussion, *catalyst* is a substance that will assist in causing or hastening the *cracking* of gas oil molecules into lighter products, yet will neither combine with the oils nor be changed greatly by their reaction.

The handful of pellets shown above is a sample of *catalyst* now being used at Los Angeles Refinery in the *Catalytic cracking* of gas oil. It is nothing more than a white or gray clay containing small amounts of metallic oxides. Science has not offered a fully satisfactory explanation of how catalysts perform such services.

**40. Unit 151**, right, is often referred to at Los Angeles Refinery as the TCC unit, these initials being an abbreviation of Thermo for Catalytic Cracker. *Thermo for*, derived from the Greek word *thermo*, meaning heat, denotes a type of furnace used in the process. And *Catalytic Cracker*, as we have attempted to explain, further describes the installation's use of a catalyst to crack gas oil arriving from Unit 33.

The large and costly installation is one of several throughout the United States that were built to help win World War II. In 1937, this country produced less than 20 barrels of gasoline a day of sufficiently high octane quality to power modern fighting airplanes. However, by 1944, at a cost of \$50,000,000 in catalytic cracking equipment, American refineries were producing 36,000,000 barrels of 100-octane gasoline a year.

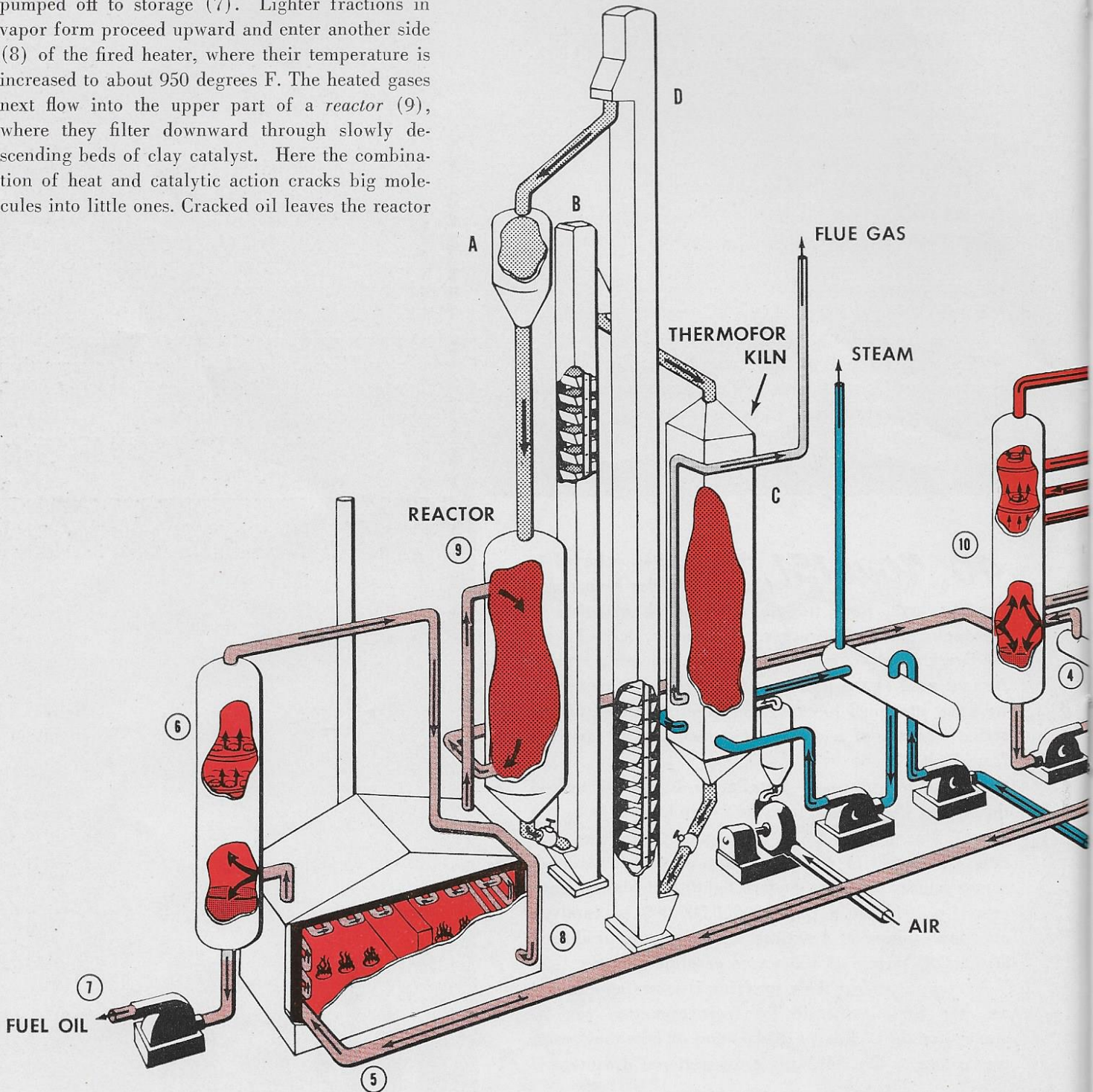
As complicated as these towering *crackers* appear and are, the basic principles of their operation can be grasped readily. For an explanation of how they work, please turn to the following cross-sectional drawing.



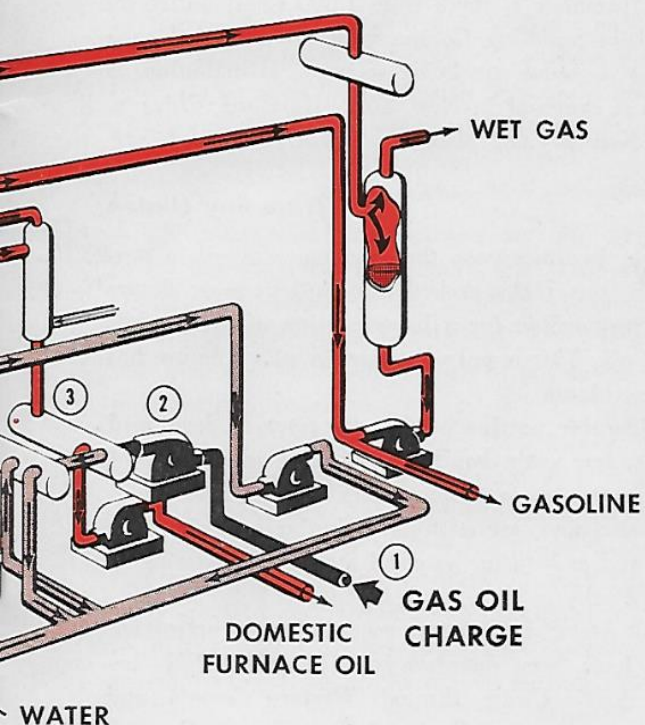
# 41. FCC Process

Beginning at the numeral (1), lower right of drawing, let us follow a charge of gas oil through the catalytic cracking process. The oil is forced by a pump (2) through two heat exchangers (3 and 4), then on through a pipe line to one side of the fired heater (5). On next entering a distillation column (6), a liquid fuel oil portion, not adaptable to cracking, is pumped off to storage (7). Lighter fractions in vapor form proceed upward and enter another side (8) of the fired heater, where their temperature is increased to about 950 degrees F. The heated gases next flow into the upper part of a reactor (9), where they filter downward through slowly descending beds of clay catalyst. Here the combination of heat and catalytic action cracks big molecules into little ones. Cracked oil leaves the reactor

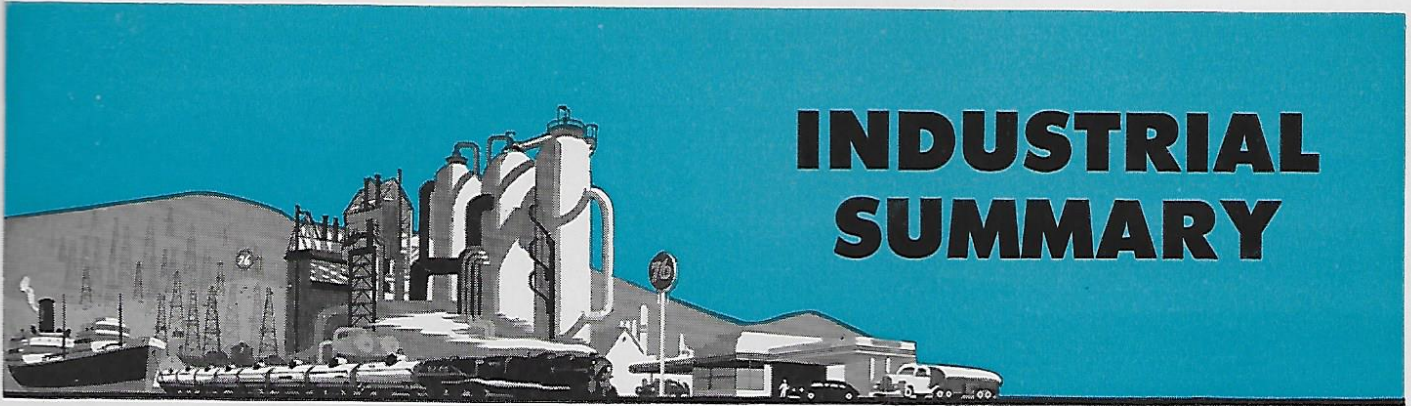
through a lower exit and is piped to another distillation column (10). Part of the stream there liquefies, is pumped into heat exchanger (4), and rejoins the gas oil charge stream. The cracked vapors, however, are distilled off in the forms of wet gas, gasoline and domestic furnace oil.



Now let's trace the catalyst. Fresh pellets of clay from the hopper (A) move down into the reactor (9). In contacting the reacting oil vapors, the catalyst pellets progressively become coated with a soot-like film. Continuing out the bottom of the reactor, they are carried upward on an elevator (B) and released into a thermoform kiln (C). Here air is admitted to burn soot from the hot catalyst while water, circulating through coils of pipe, prevents overheating of the catalyst and is converted to steam by the heat thus absorbed. The reactivated pellets are lifted by elevator (D) to hopper (A) for reuse in the cracking cycle. A load exceeding 15 million pounds per day is handled by these elevators.



**42. 700 Distillation** is accomplished in the columns shown above. The cracking unit normally processes about 25,000 barrels of gas oil in 24 hours. Lightest of the fractions distilled is fuel gas; it is an excellent fuel for use in refinery fired heaters. Some 1,600 barrels of liquefied petroleum gas (LPG), composed in large part of butane and butene molecules, is also produced here daily; it is an important fraction and will be introduced again under the subject of *alkylation*. The yield of cracked gasolines amounts to about 6,000 barrels per day; these are stored for eventual blending into finished gasolines. Of about 17,000 barrels remaining from the amount processed daily, the major portion is classified as *furnace oil*; we shall next follow it to the Cracking Section of Unit 33. Dark residue from these columns is blended with other heavy oils and sold as fuel oil.



# INDUSTRIAL SUMMARY

## ● INDUSTRIAL RELATIONS

To date more than 80 per cent of Union Oil employees have requested and received copies of "Black Bonanza," historical narrative of the Company's role in developing the West. Additional requests from employees who were on vacation or sick leave during the initial distribution are being handled as soon as received. Typical of many fine letters of appreciation received is the following:

*Mr. Reese H. Taylor, President.*

*Dear Mr. Taylor:*

*I should like to thank you for my copy of "Black Bonanza," which I read with a great deal of interest and enjoyment. The story of Union Oil Company has been most intimately told, most interestingly pictured.*

*One of Union Oil's younger old-timers, I have been with the Company for more than half of the period of its corporate existence,—"Black Bonanza" catches up with me at about Page 176.*

*Union Oil Company has, it seems to me, captured the imagination of people by continuing to be first to do some rather startling things, and, surprisingly, to make them work. More magical than the rabbit emerging from the hat are some of Union Oil's latest firsts,—burning rocks to get shale oil, and most mysteriously producing dry ice in the middle of what Bill Butler says is a very wet oil field.*

*Sincerely,  
Arthur Mackenzie,  
Los Angeles.*

**from W. C. Stevenson**

## ● MARKETING

The Marketing Department has entered the concluding month of a Company-wide sales contest called the "60th Anniversary Sell-E-Bration." Sales representatives are awarded points for quantities of lubricants sold in excess of the amounts each sold during corresponding months of 1949. The points

are redeemable in merchandise ranging from roller skates to refrigerators or better. Results to date indicate gains of nearly 30 per cent over our 1949 volume of sales in these lubricant classifications. Most of the increases represent new business from new accounts. It is estimated that during the four months of contest the "Sell-E-Brants" will earn points with a merchandise value of nearly \$100,000.

As of November 1, there were 1,500 retail outlets in Eastern cities handling Company motor oils, and each month new accounts are being secured. Distribution of these oils is centered in New York, Hartford, Chicago, Houston, Kansas City, Minneapolis, St. Paul and New Orleans.

**from Roy Linden**

## ● FIELD

In times past, the occurrence of oil in porous rocks arched into anticlines or domes has been responsible for a large portion of the world's supply of oil. This is only one way in which nature has trapped petroleum.

A considerable portion of the new reserves developed in the past few years has been from the occurrence of oil in *limestone reefs*. These reefs, formed many millions of years ago, are strikingly similar in their mode of origin and growth to the coral atolls now forming in the South Pacific.

In North America, limestone reefs in known petroleum provinces have been detected from Norman Wells beyond the Arctic Circle, through Western Canada, and down into the Permian Basin of West Texas. Our exploration staff is alert to the importance of this type of oil accumulation, and studies are being conducted as to the occurrence and means of probable detection of limestone reefs. Our exploration offices in Midland, West Texas; in North Dakota, in Denver and in Calgary, Alberta, are giving particular attention to the search for buried limestone reefs and are studying all the possible methods that yield clues as to their precise locations. The recent discovery of our exceptionally good well,

Cotten No. 1, at South Brownfield, Terry County, Texas, was of oil occurring in a limestone reef trap.

Frank C. Boyd, who recently retired, represents one of the oil industry's foremost human assets. He was born among the oil fields of Pennsylvania in 1891, less than a year after Union Oil Company was formed, and gained valuable field experience before joining the Company in 1913. Being advanced to a driller soon after coming to work, he was active in developing some of the West's greatest oil discoveries, including the rich wells of Tampico, Mexico, in 1921. He is credited with the improvement of many drilling tools and techniques. Climaxing his 100 per cent oil career, he was appointed general superintendent of drilling in 1936, and assistant to the manager of field operations in 1945. Few Union Oilers are held in higher regard.

*from Sam Grinsfelder*

### ● TRANSPORTATION

On October 23, a new transport garage at our Edmonds Terminal, Washington, was occupied by Northern Division personnel of the Automotive Department. In charge of the new garage is Walter Clark, who formerly was stationed in Seattle. Transport maintenance formerly handled by our Seattle shops will now be done at Edmonds, under supervision of George Trimble, division automotive superintendent.

Additional telephone facilities are now available between Los Angeles, Bakersfield, San Luis Obispo and Orcutt. The Company has quadrupled its circuits between Los Angeles and Bakersfield. The type of installation used will permit the adding of additional circuits as they are required.

Our small 6,500-barrel tanker M.V. UNOBA, which operates in the Central American area, arrived in Los Angeles Harbor on October 1 for miscellaneous repairs and a major engine overhaul. Originally built for the Navy in 1943, the UNOBA was purchased by Union Oil in 1946. After this, her first major overhaul, she was scheduled to sail for Punta Arenas early in November.

*from R. D. Gibbs*

### ● PURCHASING

Government has decided that our national production facilities cannot supply materials for quick rearmament and at the same time meet all civilian demands. Priorities to give first call to military orders are now in operation under jurisdiction of the National Production Authority.

As was not the case during World War II, no industry is given a blanket priority rating to secure construction, operating, maintenance and production materials. In-

stead, government orders for specific materials are given a "DO" rating by the department issuing the order. Any concern receiving such rated orders must fulfill them within the time prescribed, regardless of any delay that may be caused in filling unrated orders. In turn, the original supplier can extend the "DO" rating to his suppliers to secure all components for the order.

For example, Union Oil receives a rated order from the Defense Department for various grades of lubricating oils, greases and gasolines. We in turn can extend the rating to secure containers and other critical materials necessary for the production and delivery of the order. As the regulations now stand, we are not permitted to extend the rating to material orders for maintenance or operation of the equipment making the products, or to orders for increasing the capacity of the equipment.

*from E. H. Weaver*

### ● MANUFACTURING

The Company has been awarded an additional contract for Navy Special Fuel Oil for delivery during the remainder of 1950. Our refineries are currently supplying the government with large quantities of aviation gasoline, jet fuels, 50-cetane diesel fuel, solvents, lubricants and asphalts.

With new equipment for packaging Royal Triton, T5X and Triton motor oils, Oleum Refinery has increased its filling rate from 132 to 200 quart cans per minute.

In the extremely competitive petroleum refining industry, progress is essential to survival. The hundreds of patents granted each year for improved refining processes and techniques is proof of the rapid advance in technological development in the refining of petroleum.

In making a decision to build a new plant, the selection of a particular refining process requires careful study, one of the important factors being the ability of the new facilities to produce the type and quality of oils that may be required in the future.

A study of present refining facilities by Research, Economics and Manufacturing Departments indicates that modernization and expansion will be required. Plans for this program include a new fluid catalytic cracking unit to be built at Los Angeles Refinery to supplement the present TCC Unit. It is contemplated that the new unit will have a feed capacity of 28,000 barrels per day and will produce high quality motor gasoline blending stock.

Crude oil runs at the refineries are at a high level, averaging 125,000 barrels per day, or nearly 4,000,000 barrels per month.

*from K. E. Kingman*



**DOMINGUEZ** The May issue of ON TOUR told of how a Macco Construction worker was rescued from death in a gas-filled pipe trench at Dominguez through the First-Aid training and rescue efforts of fellow-workers. As a fitting sequel to that event, a representative of the National Safety Council came to Dominguez on November 1 to present the rescuers with the Council's highly prized President's Medal. Principals in the ceremony included, above left to right, James F. Kauer, one of the rescuers; James E. Head, whose life was saved; Union Oiler Thomas C. Absher, who aided in the rescue; and James Bishop, president of the National Safety Council's Los Angeles Chapter. An audience of oil field workers witnessed the presentations.

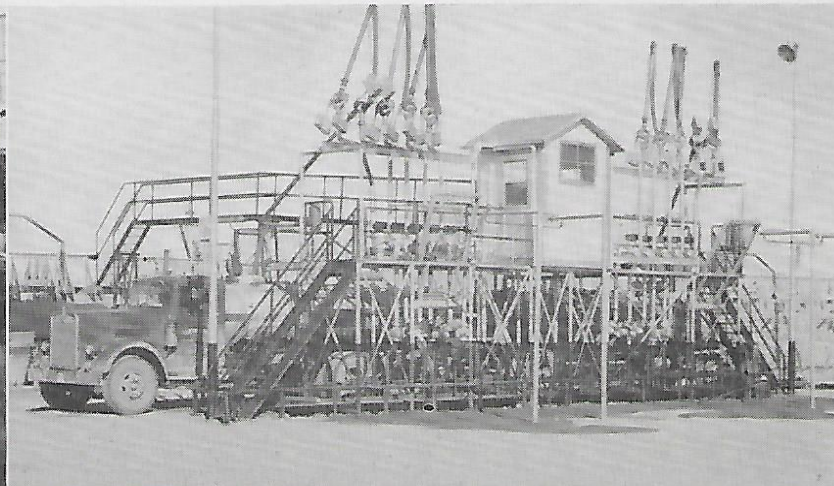


**ORCUTT** Folks in Santa Maria Valley have added another chapter to the good book of humanitarianism. When word arrived at Orcutt that 4-year-old David Rex Bailey, nephew of Union Oiler Leonard B. Clayton, needed six or more pints of blood a day to preserve his life, everybody wanted to help. Even when 50 Union Oilers and their friends had donated a pint of blood each, many additional volunteers were on hand to offer more. One employee was caught trying to donate a second pint minutes after he had been tapped for the first. Above are Nurse Mae McFarland and Mrs. Ike Simas, donor, undoubtedly two of the prettiest people to be congratulated for this act of good will. Help was also offered from elsewhere in Union Oil.



**GLACIER DIVISION** Great Falls was reminded of Oil Progress Week by one of the finest parades in Montana history. With Union Oiler Al Adolphson serving as district chairman, there was no lack of rolling equipment representing all branches of the industry. Some of the state's prettiest girls distributed "76" lollipops to the children, while oldsters took note of the fact that prices have hardly kept pace with other petroleum changes.

In the meantime, another progressive step was recorded at Cut Bank with completion of the new truck loading rack, below. Loading by pressure flow, the rack will accommodate either trucks or tankcars at three times the former speed.







*L-R, Robert McCormick, Eileen Brown, James Fallon, Juanita Julian, Jean Taylor, James Reimann, Raymond Webb, Michael Dion and Gordon Lund, new employees, attend an indoctrination conference concerning our benefit program.*

## Full-Coverage Protection

SOME 40 years have passed since the first employee protection plan was established for Union Oilers. But in the meantime other protective measures have been set up, revised and extended until today our program of employee insurances and benefits is one of the most comprehensive found in industry.

Within three months after starting to work, new employees in the Union Oil Building, Los Angeles, are invited to an indoctrination conference, conducted by an Employee Relations representative. Here one by one the various protective plans are explained and discussed. Participants are introduced to the history of each plan, why and when it was brought into existence, how it oper-

ates, how much it costs the Company and the member, and what it offers in the form of benefits and protection.

Basically, the indoctrination conference is a means of giving new employees clear and complete facts regarding the security opportunities now being made available to them. Because Union Oil paid out \$4,432,000, or an average of \$615 per employee, for these security benefits in 1949 might indicate to some minds that increased participation is not invited. However, it is a well established truth in industry that secure workers are better workers, that good employee relations is good business.

ON TOUR attended one of the most recent indoctrination conferences and came away impressed. After studying the various plans now in effect it is hard to imagine better protection than we now enjoy.

For example:

WORKMAN'S COMPENSATION, enacted in 1911, provides hospitalization, medical care and compensation to workers injured on the job. All costs are met by the Company.

Since 1915 we have had the EMPLOYEES' BENEFIT PLAN, designed to provide hospitalization, medical and surgical care when member employees become sick or are injured off the job. It is a cooperative plan financed largely by employees but with substantial administrative and financial assistance from the Company.



*Fred M. Anderson of Employee Relations uses a projector to good advantage in explaining various benefit plans.*

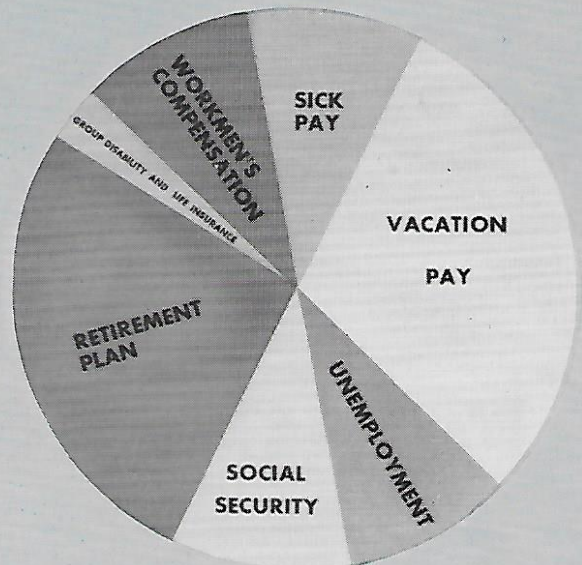


**PROTECTION  
FOR YOU AND YOUR FAMILY**

*The former method of introducing security by means of booklets remains useful. Juanita Julian (below) exhibits the printed information she carried home from this meeting.*



## **MORE THAN 12% OF PAYROLL GOES TO EMPLOYEE SECURITY**



**NON-CONTRIBUTORY GROUP LIFE INSURANCE**, introduced in 1915, starts with a \$500 policy upon completion of one year of service and increases to a maximum of \$2,000 by the fifth year. Provided without cost to every employee, it remains in effect even after retirement.

**THE CONTRIBUTORY GROUP LIFE INSURANCE PLAN** offers still larger cash benefits to employees who become permanently and totally disabled, or to the beneficiaries of employees who die. It is a voluntary, insured plan to which the employee contributes low monthly premiums.

An employee's normal income is protected during disability by the **SICK PAY ALLOWANCE PLAN**. It provides one week of protection for each year of service and accumulates to a maximum of 26 weeks for employees with 26 or more years of service. Union Oil pays the entire bill.

**DISABILITY BENEFIT INSURANCE** takes up where Sick Pay Allowance leaves off, providing the employee 60 per cent or more of his normal pay during disability. Coupled with Sick Pay, it protects him for as long as one year. It is an insured plan to which the employee voluntarily subscribes.

Our ALTERNATE PLAN FOR CALIFORNIA DISABILITY INSURANCE augments the Disability Benefit Insurance Plan by providing additional income up to \$27.50 a week for a maximum of 26 weeks in the event of a disabling injury or illness. The cost to employees is only half that of the state-administered plan.

When terminations occur, employees may be entitled to income protection under STATE UNEMPLOYMENT INSURANCE. They also may be eligible for cash benefits under the Company's TERMINATION ALLOWANCE PLAN. The latter costs the employee nothing and grows in value with his age and length of service.

Every employee has the opportunity, with financial assistance of the Company, to build a life retirement income through the EMPLOYEES' RETIREMENT PLAN and the FEDERAL SOCIAL SECURITY PLAN, both of which are bought jointly with Company and employee contributions.

Add to these PAID VACATIONS of two, three or four weeks annually, depending on length of service; PAID HOLIDAYS; plus MILITARY LEAVE PAY, and we see that most Union Oilers enjoy full-coverage to the highest degree.



Success of the indoctrination conference is enhanced through presentation of attractive colored charts, some of which are reproduced on this and the opposite page.

1949
SUBSTITUTE PLAN FOR STATE DISABILITY
1940
MILITARY LEAVE PAY
1939
RETIREMENT PLAN
1937
SICK PAY PLAN SOCIAL SECURITY TERMINATION ALLOWANCE
1936
DISABILITY BENEFIT INSURANCE STATE UNEMPLOYMENT INSURANCE
1926
PAID VACATIONS
1925
CONTRIBUTORY GROUP INSURANCE
1923
PROVIDENT FUND
1915
NON-CONTRIBUTORY GROUP INSURANCE EMPLOYEES' BENEFIT PLAN
1911
WORKMAN'S COMPENSATION

### MILESTONES IN OBTAINING SECURITY FOR EMPLOYEES



<b>FIRST DAY</b>	SOCIAL SECURITY SUBSTITUTE PLAN FOR STATE DISABILITY STATE UNEMPLOYMENT WORKMEN'S COMPENSATION
<b>3 MONTHS</b>	EMPLOYEE BENEFIT PLAN DISABILITY BENEFIT INSURANCE CONTRIBUTORY GROUP INSURANCE
<b>1 YEAR</b>	NON-CONTRIBUTORY INSURANCE SICK PAY VACATION RETIREMENT PLAN CONSIDERATION FOR TERMINATION ALLOWANCE IF EMPLOYEE IS 45 years OF AGE OR OVER
<b>5 YEARS</b>	CONSIDERATION FOR TERMINATION ALLOWANCE (REGARDLESS OF AGE) NON-CONTRIBUTORY INSURANCE INCREASED TO \$2,000
<b>15 YEARS</b>	THREE WEEKS ANNUAL VACATION
<b>25 YEARS</b>	FOUR WEEKS ANNUAL VACATION

# First in Peace

**U**NDER an international flag and bearing Number X-121, assigned by General MacArthur, the Japanese tankship NICHINAN MARU has opened a promising new era of friendly commerce with the United States. On October 1 the trim 40,000-barrel tanker paused at our Wilmington dock preparatory to transporting a load of Union Oil's San Joaquin Valley crude oil from Port San Luis to Japan. This marked the first appearance since 1941 of a commercial Japanese tanker in waters of the American Pacific Coast.

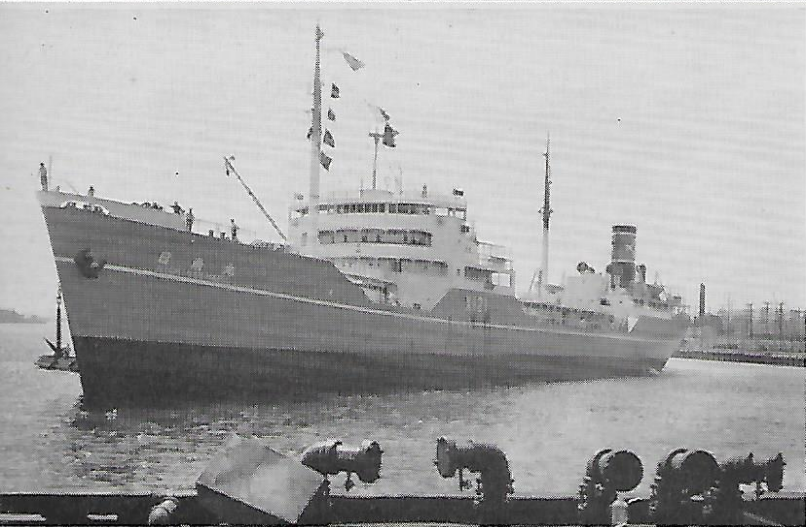
The NICHINAN MARU, built at Tokyo in 1941, was sunk by American aircraft and lay on the bottom of Tokyo Bay for five years. She was raised and reconditioned in 1949. A second Japanese tanker, the RYUHO MARU, a new vessel of 90,000-barrels capacity, will join the smaller ship in keeping cargoes of Union Oil crude and refined products moving across the Pacific.

The crude is to be refined by the Maruzen Oil Company, Limited, at Shimotsu, Japan. Their rebuilt refinery, severely damaged during World War II, has a capacity of 6,000 barrels per day and will manufacture Maruzen brands of gasoline, diesel fuel, kerosene and fuel oil. Through a distributor contract with the Company, Maruzen will also import and market Union Oil brands of lubricating oils and greases.

So great was the destruction of Japan's refining facilities that their entire petroleum requirements since the war have been imported by the military and stored by JOSCO (Japan Oil Storage Company), a group of five American oil firms, including Union, who function under the Army of Occupation. The importing of crude is part of a broad plan to help the Japanese regain their economic balance.

*Greeted at our Wilmington dock by a large group of newsmen and Japanese Americans, the NICHINAN MARU and her crew manifested pleasure in being the first Japanese tanker to visit a U. S. Pacific Coast port since 1941.*

*L-R, Interpreter Tabata, Captain Yumoto, Chief Dispatcher Cattermole, Operating Manager Hanada, Director Hanada, Agent Price and Port Captain Lishman discussed loading plans before the tankship continued on to Port San Luis.*



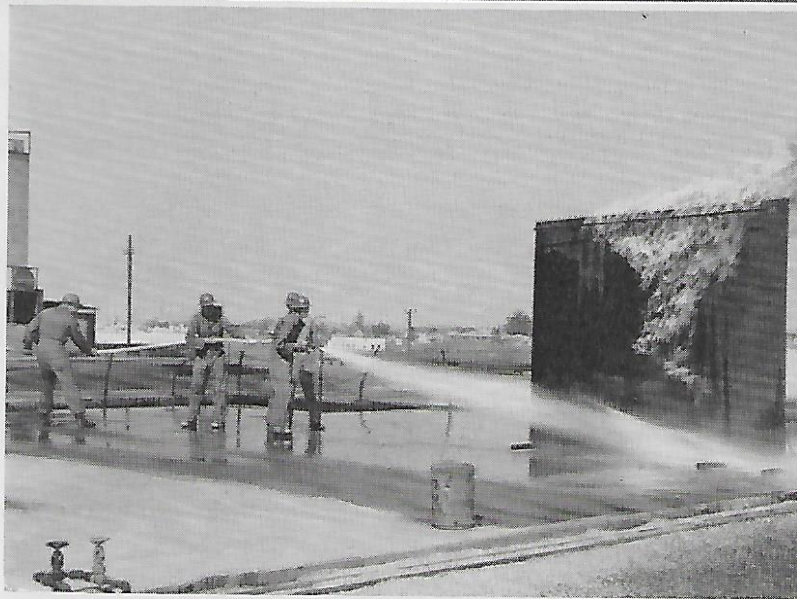


## Extinguishment at War

**T**HE 542nd Bomb Wing of the U. S. Air Force are learning how to wage war with fire extinguishers. Seven of the airmen recently asked for and were granted use of our fire training grounds at Los Angeles Refinery. Through training courses like those given to refinery personnel and to several municipal fire departments in Southern California, they learned first how to put a fire together, then how to take it apart. The complete course included movies, lectures, discussions, demonstrations and, finally, actual fighting experience against some of the most difficult fires to be encountered.

The airmen were unanimous in lauding this type of training for war. The knowledge obtained put them more at ease regarding the hazards of handling and transporting high-octane gasolines and other petroleum products. They learned that most fires are more easily extinguished than left to their own destructive designs, if trained men are pitted against them. Their newly acquired skill could be the means of saving many American lives and preventing the loss of valuable property and equipment.

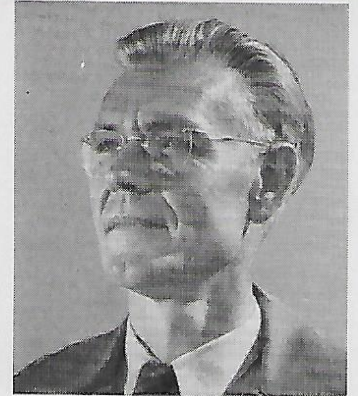
ON TOUR





## NATURAL GAS AND GASOLINE DEPARTMENT

Effective October 10, this department was newly organized to handle all matters concerning the processing, transportation and disposition of natural gas and its products produced by the Company. Personnel whose appointments to the new department have been announced are shown above in conference, namely from left to right, W. L. Cowan, Patrick Barrett, Manager Basil Kantzer, Assistant Manager J. C. Rector, C. D. Gard and J. A. Gordon. D. E. McFaddin, right, is also a member of this group. They will make all contracts pertaining to the purchase, treatment and disposition of gas obtained from outside suppliers. They will supervise operation of our dry ice plant at Santa Maria and will represent the Company on such cooperative gas projects as those at Paloma, Kettleman Hills, Coalinga and Coles Levee.



# Organization Changes . . .

## TRANSPORTATION & DISTRIBUTION

Effective November 1, E. L. Hiatt was appointed assistant to Vice President Ronald D. Gibbs, who has charge of the Transportation and Distribution Department. Moving to Los Angeles from San Francisco, where he has been serving as distribution manager, Hiatt will take the place of Patrick Barrett, now a member of the new Gas Department.

## FIELD

Kenneth C. Vaughan, formerly superintendent of the Valley Division, Bakersfield, was appointed manager of field operations, Pacific Coast Division,

replacing Basil Kantzer on October 10.

Replacing Vaughan as division superintendent of our Valley Division is Harry D. Aggers, formerly district production foreman at Dominguez.

## PURCHASING

R. C. Zell has been named assistant manager of purchases, Los Angeles, effective September 1. He reports to Manager E. H. Weaver and will handle purchasing responsibilities pertaining to Field Department operations, as well as the tubular purchases of all departments.



**E. L. HIATT**  
Assistant to Vice President  
Transportation and Distribution



**KENNETH C. VAUGHAN**  
Manager of Field Operations,  
Pacific Coast Division



**HARRY D. AGGERS**  
Division Superintendent,  
Valley Division



**R. C. ZELL**  
Assistant to Manager of  
Purchases, Los Angeles

## In my opinion ...

Dear Editor:

Recently a lady told me about a group of teenagers who were polled for their ideas on a code of social behavior for young people of their own age group. How late did they think teenagers should stay out at night, and so on? She was impressed by the stringent rules they would apply to themselves—more strict than most parents could hope to enforce.

This is typical, however, as any reasonably intelligent and honest group can and will apply to itself (and in its own interest) rules of conduct that are more strict than any outside agency would hope to enforce. But in order for the phenomenon of group discipline to operate, the group must be given the *responsibility* for its own conduct. . . .

It is obvious that the petroleum industry is not readily adaptable to the type of plan that might work well in other kinds of manufacturing. But we have two approaches to the employee relations problem that can be used in any commercial organization.

(1) Why not take employees into partnership with capital and management? (See "The Young Employers of France", Reader's Digest, September, 1950, Page 26.)

Let them share in discussions of Company problems. Place on them the *responsibility* for their own performance and conduct on the job.

(2) Our economic system is based on the fact that man's greatest incentive is the hope for personal gain. The main trouble with our capitalistic system at present is that there are too few capitalists. If wages are in some way geared to Company success, then each employee is on his own, working for himself. *We should make every working person a capitalist!* Tie wages to Company success by gearing them to gross or net income. Then watch the employee start working for the Company as he would for himself!

J. F. Raab,  
Research Department.

Dear Mr. Raab:

*Wouldn't an employee gain the same advantages and incentives by systematically investing a percentage of his wages in shares of Company stock? He'd be in partnership with capital and management. He'd have the right to speak and vote on the Company's corporate affairs. He'd receive good wages for his work and a fair share of profits for his investment. He'd have an owner's reason for doing good work. We wouldn't have to make him be a capitalist; he'd be one! Above all perhaps, he'd retain that priceless American heritage to which you refer—individual responsibility.*

Editor.



## SERVICE BIRTHDAY AWARDS

### NOVEMBER, 1950

#### Forty Years

Kueny, Harry B., H. O. Comptroller's

#### Thirty-Five Years

Boyd, Thomas F. G., Valley Field  
Shelton, Wm. M., H. O. Credit

#### Thirty Years

Ellis, Luther R., So. Div. Field  
Haswell, Wallace J., H. O. Traffic  
Hiatt, Chas. R., No. Div. Pipe Line  
Meals, Geo. A., So. Div. Field

#### Thirty-Five Years

Hancock, Irving J., H. O. Comptroller's

#### Thirty Years

Kelsey, Lewis S., So. Div. Field  
Lockard, Clyde E., L. A. Refinery Mfg.  
McKelvie, Wm. G., S. Div. Field  
Palmer, Elmer B., L. A. Refinery Mfg.  
Price, Erwin, So. Div. Field  
Rubio, Andrew F., No. Div. Pipe Line  
Stroschein, Frank G., So. Div. Field

#### Twenty-Five Years

Bowers, Raymond S., Southwest Territory  
McCloud, John H., So. Div. Field

Miller, Thomas G., So. Div. Auto.

Peterman, Wm. H., Marine-Wilmington  
Wheeler, Sam A., So. Div. Field

#### Twenty-Five Years

Chatham, Burton, H. O. Comptroller's  
Hobbs, Wilford, Oleum Refinery Mfg.  
McLaren, Leigh E., Southwest Territory  
Stanchfield, John F., Northwest Terr.

#### Twenty Years

Miller, Loyal R., Southwest Territory  
Wilson, Maxine, H. O. Comptroller's

### DECEMBER, 1950

Pence, William R., Research-Wilmington  
Scroggins, Leslie A., Oleum Refinery Mfg.  
Silva, Frank, No. Div. Pipe Line  
Taylor, Arthur E., Oleum Refinery Mfg.  
Whyte, Marvin, H. O. Comptroller's

#### Twenty Years

Alexander, Arthur E., So. Div. Field  
Forster, William L., Southwest Territory  
Fryar, Paul J., L. A. Refinery Mfg.  
Mahoney, Eugene E., H. O. Sales Staff  
Olsen, Albert F., Northwest Territory  
Pennell, Richard J., H. O. Marine  
Smith, Ralph A., Northwest Territory

#### Fifteen Years

Grandle, Paul S., L. A. Refinery Mfg.  
Huntsman, David L., So. Div. Auto.  
May, Eva, H. O. Land  
Stair, Jack L., So. Div. Field

#### Ten Years

Jordan, Theo. L., Cut Bank, Montana  
McDonald, L. P. Jr., H. O. Comptroller's  
Madden, Harold A., Northwest Territory  
Sebek, Zita M., Northwest Territory  
Sharp, Otis W., Cut Bank, Montana  
Simpson, Margaret U., Northwest Terr.

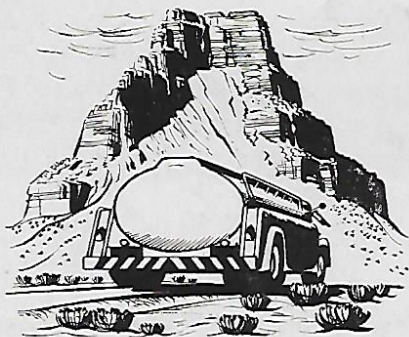
#### Fifteen Years

Cornyn, Sara E. F., H. O. Land  
Grunewald, John J., Central Territory  
Hickey, Ralph O., Southwest Territory  
Nelson, Elmyra I., Northwest Territory  
Temple, Scott E., So. Div. Field

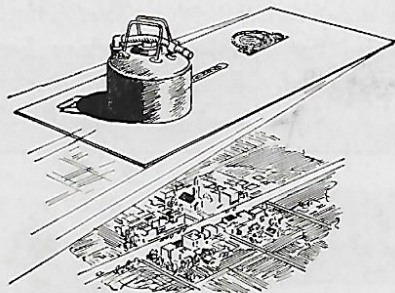
#### Ten Years

Cunningham, Ralph R., Southwest Terr.  
Deaderick, Shelby F., L. A. Refinery Mfg.  
DeMartini, Emilio S., Oleum Refin. Mfg.  
Fagerberg, Ward L., Oleum Refinery Mfg.  
Pohle, Henry W., Oleum Refinery Mfg.  
Samuelson, Ward A., Central Territory  
Scott, Walter A., Central Territory

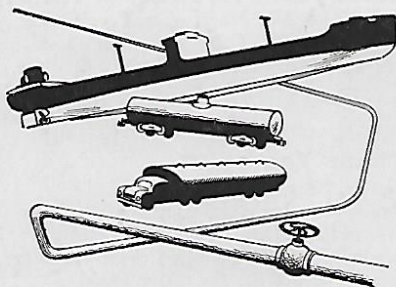
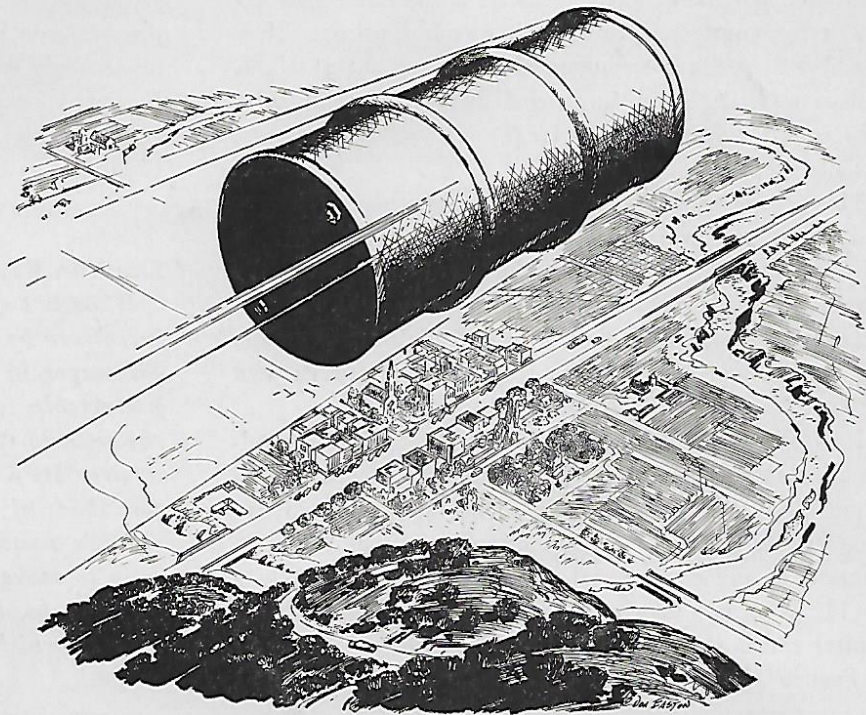
# The cheapest transportation you can buy today



**1. The average barrel** of Union Oil products travels 664 miles between the time the crude oil leaves the ground and the finished gasoline or motor oil goes into your car. Yet the cost of transporting these petroleum products to you averages less than 7 mills per gallon.



**2. This is the cheapest** transportation the world has ever developed—the cheapest you can buy today. If you were to parcel-post a gallon of gasoline from Los Angeles to Seattle, for example, a distance of 1370 miles, it would cost you 50¢. Union Oil takes it there for 1¢.



**3. To achieve this kind** of low-cost transportation, the oil companies not only had to go into the transportation business but had to develop entirely new methods of transportation. The pipe line, the tank ship, the tank car and the tank truck were all oil company inventions

**4. Now that this amazingly** efficient transportation system has been built up and is operating, certain politicians would change the way it is run—not because it isn't efficient but because the oil companies own and operate much of it.

**5. If they had told us** this fifty years ago, we wouldn't have gotten into the transportation business. But if they insist on divorcing us from the transportation end of the business now, we hope they'll figure out *first* how they're going to keep costs to you as low under some other setup as we are keeping them today.

## UNION OIL COMPANY OF CALIFORNIA

INCORPORATED IN CALIFORNIA, OCTOBER 17, 1890

*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.*