



On Tour

VOL. 10, NO. 1

JANUARY, 1948



Union Oil's television cameras covered the Rose Parade from a platform high above the crowd. The "straight line" waves were relayed over the hills from Pasadena to Hollywood, amplified, then broadcast from a mountain-top station.



Commercials for the television broadcast were prepared weeks ahead of time. They include live-action moving pictures (taken in service stations and at Los Angeles Refinery) and animated cartoons. One commercial was devoted to service, three to Triton Motor Oil.



Every television screen from Malibu Beach to San Diego was tuned to the Tournament of Roses, as hundreds of thousands of people saw the Parade the easy way over the Company-sponsored telecast. This was the first commercial telecast of Parade.

Union Oil Takes Grand Prize at Rose Parade

Company Pioneers Puppets and Telecast

PEOPLE squeezed ten-deep along Pasadena's Colorado Avenue on New Year's Day, saw Union Oil's flower-decked float carry away the highest award for a commercial entry, Grand Prize, in the 1948 Tournament of Roses.

Watched by the jam-packed throng that for a day made the five mile route the world's most crowded place, colorful puppets on the float's stage enacted a scene from the play "Girl of the Golden West." It was the first time in the Tournament's 59-year history that puppets had been used.

Adding to the tremendous amount of spectator, newspaper, magazine, and news reel publicity received by the float, Union Oil sponsored the first commercial television broadcast of the New Year's Day spectacle.

An estimated two million people either tuned in the broadcast, or saw the float itself in the parade or while it was on exhibition at Tournament Park. There, the puppets attracted a great deal of attention. Loudspeakers blared constant requests for the audience around the float to disperse because it was blocking traffic.



Laughter followed the float as the crowd read the sign on the back of the stage, "Next Week, East Lynne."



Driver Skeet Smith settles down behind his steering wheel "back-stage." He and an assistant navigated through chinks in the log walls. The float was built of wood and light steel rods, covered with chicken wire, plaster, and plastic "glass screen."



Operated by five expert puppeteers, the life-like figures brought down the house as they danced, smoked, played cards, fiddled. They were made entirely of plastic, then covered with rose petals and flower blossoms. Stage and costumes were authentic.



Typical of flow-line electrical dehydrator units that handle water separation in the Brea District is the above Hole Lease installation.

OIL and WATER-

By Ira E. Triggs

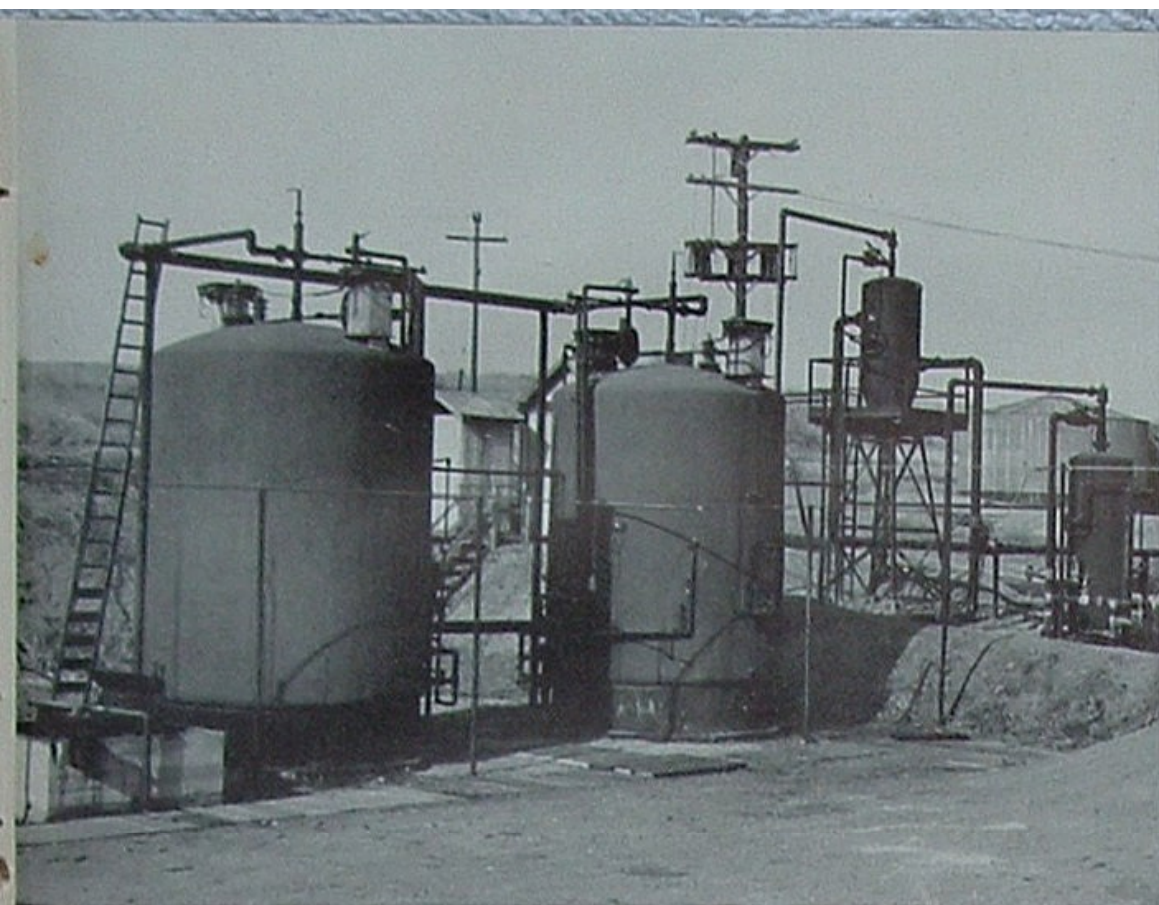


Associate Field Engineer Ira E. Triggs, author of this article, examines modernized control board of new electric dehydrator being installed at West Naranjal Lease, Brea.

If you wish to stimulate an argument, just recite to any oil field production man the adage that oil and water don't mix. He'll quickly convince you that they do mix and in such a tenacious manner as to make their separation one of the major headaches of the petroleum industry.

A peculiarity of oil and water mixtures—called emulsions—is that the two substances do not always combine in the same manner to form a single type of emulsion. Sometimes oil mixes with water—that is, microscopic droplets of oil are dispersed in the water. In other instances water mixes with oil—that is, microscopic droplets of water are dispersed in the oil. Finally, some emulsions are encountered in which both the oil-in-water and water-in-oil combinations are found side by side or combining with each other. Between these extreme general types, there are countless other emulsions that vary one from the other in the amounts of oil and water that thus combine.

Just how this wedding of two naturally unfraterniz-



(Above) Electric dehydrators expose pre-heated crude to a high-voltage electric field. This breaks the emulsion and permits water to separate from the oil by gravity.

(Right) Pumper Ray T. Hatfield inspects valves of a primary gas trap, right, and a secondary gas trap, above, which removes free gas from crude oil before and after it is heated.

(Bottom) Gas-fired heaters raise the temperature of the Hole Lease crude to approximately 160 degrees before it proceeds on through the electric dehydrators.

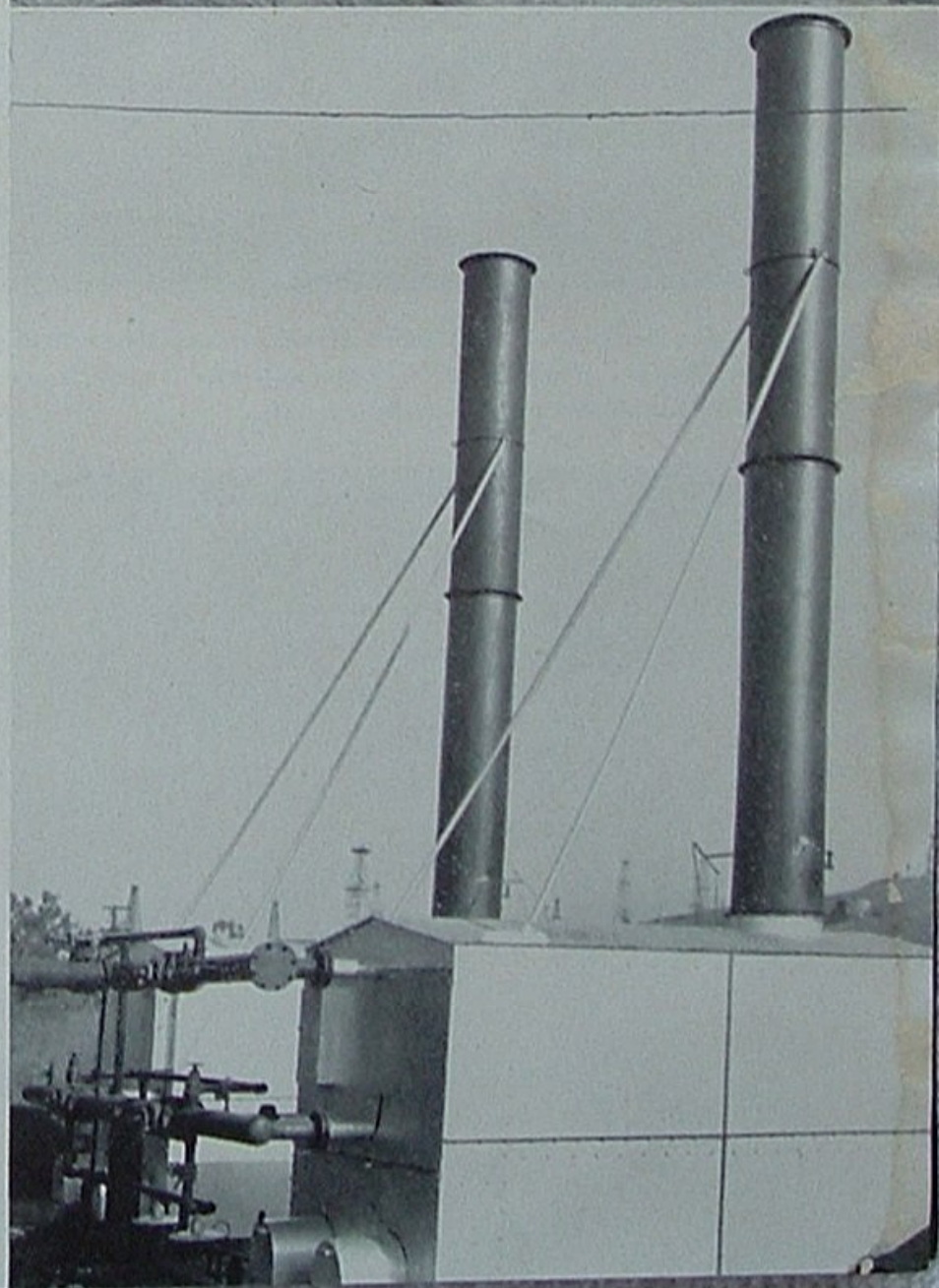


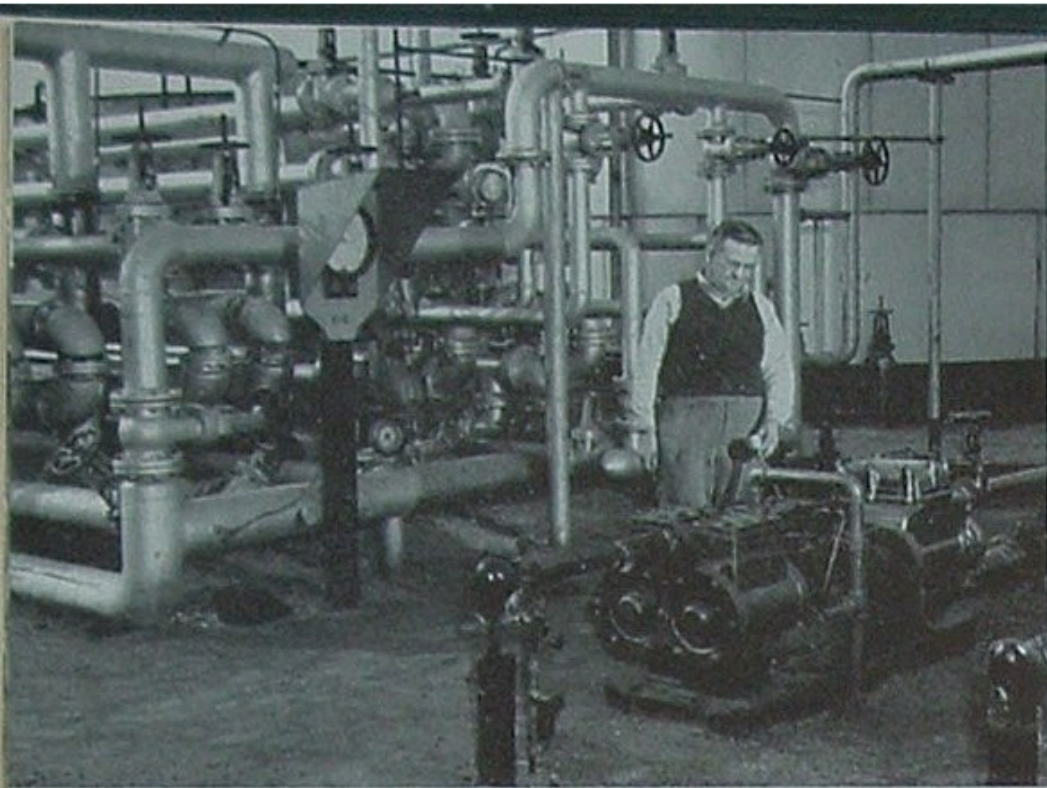
DO MIX

ing substances takes place in most oil fields is now understood by petroleum engineers. One of the principal contributing factors is the atomizing action that takes place during production as the water and oil are forced through small orifices under heavy pressures. This condition is most evident in gas-lift or flowing wells, where there is an abrupt pressure drop across the bean. Also, certain types of crude carry agents that promote the formation of emulsions or increase the stability of the mixtures.

In the early days of the oil industry, the encroachment of water into oil producing horizons meant very serious trouble. Many water-producing wells were shut in or abandoned. At best, when a well started producing wet oil, it was common practice to pump the production into a large earthen sump. After several days of settling and exposure to the sun, some separation of the emulsion would generally occur; the heavier mixture would settle to the bottom and a layer of fairly dry oil would accumulate on the surface. The dry oil

ON TOUR





Senior Engineer Ed Angel, seen oiling a steam-driven pump, keeps an eye on things at the otherwise automatically-operated Callender dehydrators at Dominguez Pump Station.



Amid a Santa Fe Springs forest of oil derricks, this unit employs the chemical "Tret-O-Lite" to separate some 14,000 barrels of water from 4,000 barrels of dry oil daily.

was then recovered by skimming, and the remaining emulsion, containing a good percentage of oil, was either burned or turned down a convenient creek. This burning of sumps was formerly a familiar sight in most fields. Countless thousands of dollars worth of valuable petroleum was wasted because there was no known method of effecting water separation of emulsions that defied heat and gravity dehydration.

It is certain that very little, if any, petroleum comes out of the earth in a perfectly dry condition. Most fields produce crude with a large content of water in free state or emulsion. And many old wells today show a water cut as high as 90 per cent.

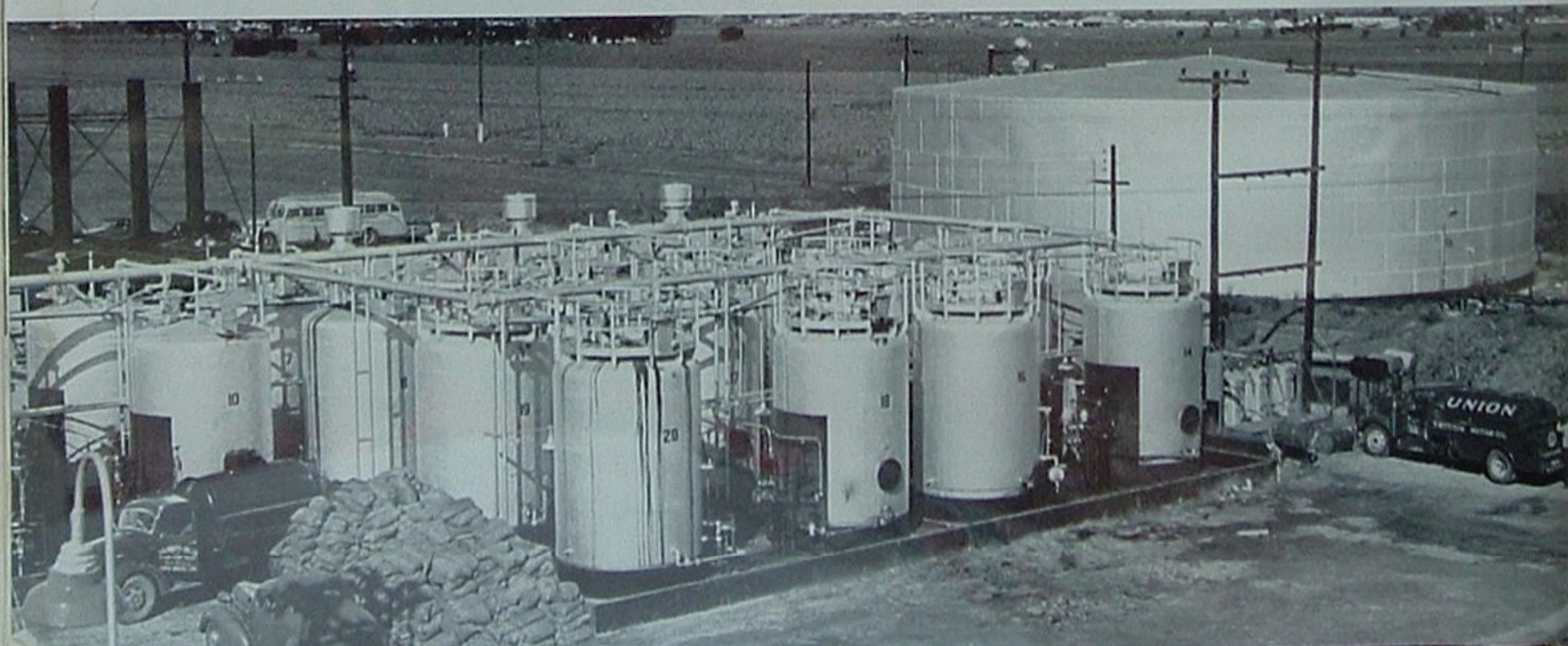
DEHYDRATION METHODS

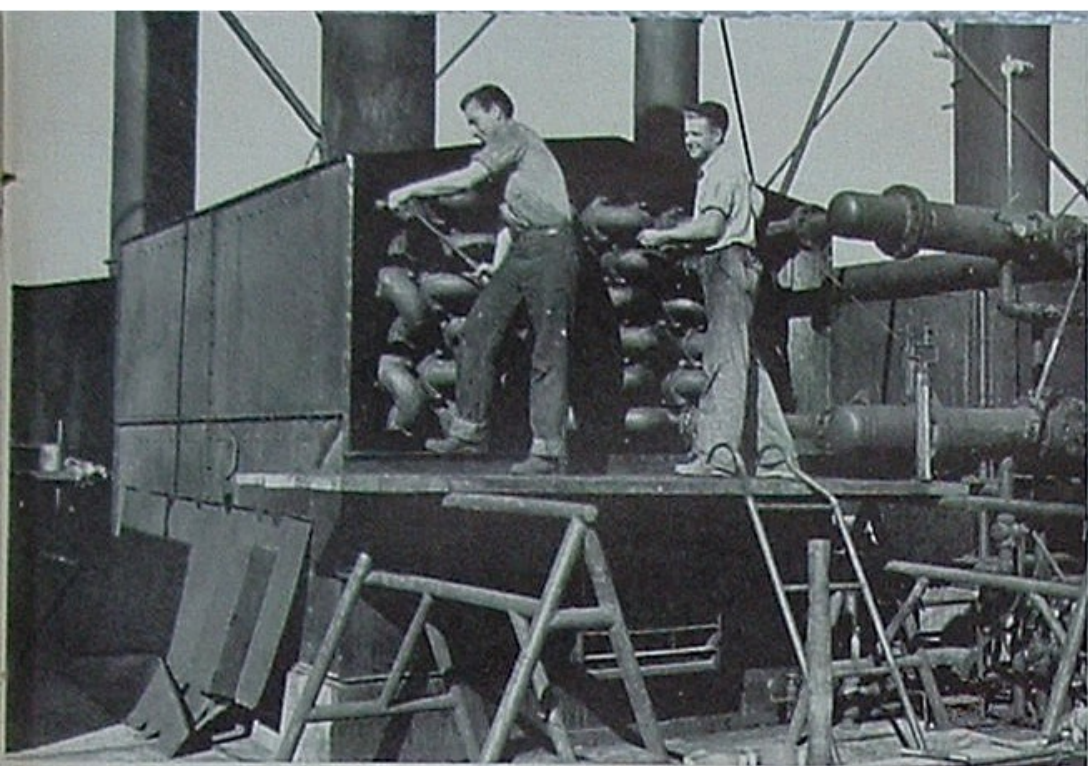
Although great rewards awaited the industry if it could find a solution of the problem, it was not until about 1909 that successful dehydration methods were discovered.

William S. Barnickel, a St. Louis pharmaceutical chemist, had observed the immense oil waste in Oklahoma and brought back samples of emulsions to his home laboratory for tests. His experiments between 1907 and 1910 resulted in the discovery that copperas (sulphate of iron) was effective in breaking down some of the mixtures. Later he used sulphonated fatty acids even more effectively and patented his "Tret-O-Lite" compound, which was first used commercially in 1919. However, it was not until about 1930 that a "Tret-O-Lite" product was developed for the successful treatment of California crudes.

Contemporary with the Barnickel experiments, Dr. F. G. Cottrell was experimenting at the University of California with the electrical precipitation of acid mists for possible use in sulphuric acid plants. One of the doctor's students, Buckner Speed, recognized a similarity between the precipitation of acid mists and the separa-

(Below) Union Oil Company's heaviest battles with emulsions take place in the Santa Maria Valley, where, at the well-named Battles Pump Station, our largest dehydration plant operates.





Replacing "return bends" after cleaning the tubes of a Battles Pump Station heater are Mechanic's Helper Don Greeson, left, and Mechanic Jonah Quick, Jr.



The two higher banks of pipe at left are heat interchangers, wherein out-going dry oil imparts some of its heat to the incoming wet oil. Steam interchangers, pipes at right, complete heating process.

tion of an oil-water emulsion; and the two men began experiments with the electric treatment of wet oil. Their efforts were greatly stimulated when several associates of Dr. Cottrell struck oil on a lease in the Coalinga field, but found themselves with a 15 per cent water emulsion that defied every known dehydration method.

Cottrell and Speed erected their first electric dehydrator on this Lucile Oil Company lease at Coalinga in 1909, and it proved to be successful. However, their second unit, of identical construction, was a complete failure when assigned to an emulsion problem in the Santa Maria field; and their third unit was again successful at another location. It was evident from these experiences that various emulsions would require various types of treatment.

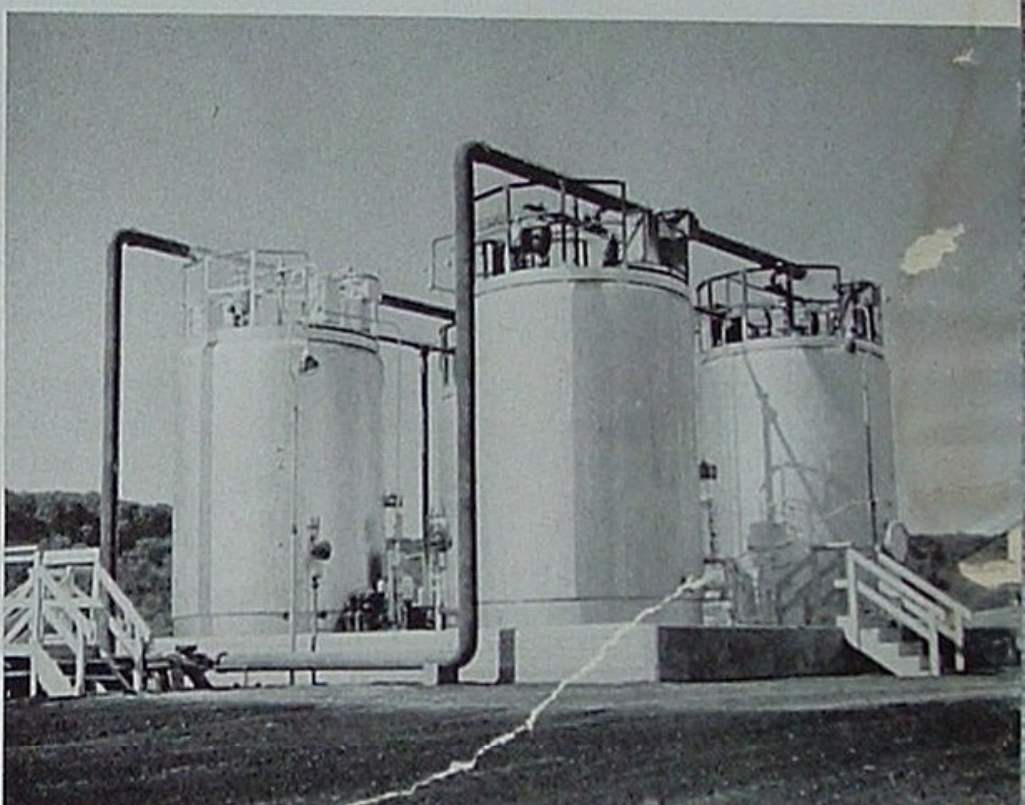
ELECTRICAL UNITS ESTABLISHED

In 1913 at the Avila Refinery, Union Oil installed its first electrical dehydration plant, consisting of 10 Cottrell-type units, for treating wet oil from the Orcutt district. Similar dehydrators followed at Maricopa in 1918, at Taft in 1919, and a 30-unit plant at Orcutt Pump Station in 1920.

This early electric unit consisted of a galvanized steel tank, housing several steel discs mounted on a mechanically-rotated vertical shaft. The shaft and discs were charged with high-voltage electricity. The pre-heated oil entered the dehydrator and passed downward through the high-voltage field, and through a bottom outlet to a settling tank. Although effective in breaking the oil and water apart, these units with their open tops caused many minor fires and a few disastrous ones. Also, losses from evaporation were very high.

Nearly every remnant of oil that is carried by waste water into the skim pond rises to the surface and is easily removed by a plank skimming device. Operator is Ed Angel. (Right)

ON TOUR



These four new electric dehydrators have just been installed near Orcutt to "dry" our crude oil production from all wells in the Lumpoc field





Field Mechanic A. C. Myracle, at right, tightening packing on a waste-water pump, is one of several employees who handle dehydration plant repairs in the Brea District.

Gradually improvements were built into the electric dehydrators. An enclosed type was built and equipped with a float-type safety switch to successfully reduce the fire hazard. Improvements were made in electrode designs. Dehydrator shells with bumped bottoms and tops were eventually built under API-ASME specifications to operate at pressures of between 35 and 40 pounds per square inch. All of the early plants were batch plants (requiring constant manual operation and attention), whereas, today's installations are mostly flow-line units (operating continuously and automatically without need for operators in constant attendance).

Chemical treatment of wet oil was tried by the Company first at Santa Fe Springs in the early '30's. The results were excellent and flow-line chemical plants were subsequently installed on a number of our leases. With this method, the molasses-like chemical is injected either at the wells or into wet-oil lines between the wells and the wash tank. The separation of oil and water takes place mostly in the wash tank. In some cases, depending upon the nature of the emulsion, the oil must be heated before the chemical works effectively. The chemical itself must be varied, as one well's meat may be another well's poison.

DEHYDRATION TODAY

Today dehydrating of oil is done with various chemicals and through several methods of applying electric dehydrators. Either the chemical method alone, the electrical method alone, or a combination of the two may be used, depending upon the type of emulsion being treated and the economics involved.

While not as imposing in appearance as the old batch plants, the new flow-line units are miracles in operation. Where the electrical method is used, the oil flows directly from the wells to a primary gas trap; then on to a gas-fired heater, which is thermostatically controlled to maintain the proper dehydration temperature. From heaters the crude flows automatically to secondary gas traps and on through the electric dehydrator. Float-type automatic water bleeders release the water into automatic measuring devices and disposal systems, while the dry oil is directed through other lines to field storage tanks.

The modern plants have many advantages. The flow-line unit usually handles the production of an individual lease, which results in more accurate gauging and sampling of the lease production. The dispatching of both wet and dry oil through the same pipe line is eliminated. The dry oil can be pumped at a higher flow rate and with less pressure because it is less viscous than an emulsion. The modern plant is generally more efficient, resulting in lower dry oil cuts, transportation economies, and the receipt of drier crude at refineries. Intermediate pumping and handling have been eliminated in many cases. Operating costs are lower; in fact, many of the plants are so automatic in their operation that only periodic inspection is required.

Certain exceptions are known where the flow-line plants are not superior to batch electric plants. Such is the case at Santa Maria where a heavy viscous oil is very difficult to dehydrate. Here it is necessary to heat the oil to temperatures in excess of 200 degrees and to maintain a dehydrator back-pressure of approximately 40 pounds per square inch. A flow-line plant was inadequate; so at Battles Pump Station the Company built its largest batch dehydrator. This plant, containing the most modern equipment, is almost automatic in its operation.

Dehydrating chemicals are also playing an interesting transportation role at Orcutt today. Some years ago it was found that oil was slowing down or ceasing to gravitate from tanks on the individual leases to the receiving tank at Orcutt Pump Station. This was because the increased water content had thickened the emulsion. By injecting chemicals at some of the wells, enough water separated from the emulsion to reduce the oil's viscosity and enable it to flow by gravity.

WASTE WATER DISPOSAL

However, neither chemicals nor electricity have totally solved the water problems of oil production. Having pretty well mastered the techniques of breaking emulsions and recovering nearly all of the oil, the producer now faces the problem of waste water disposal. This water from deep within the earth is hardly fit for irrigation or municipal water systems. It normally contains quantities of salt and other impurities and is often discolored. Small quantities of oil manage to get past the dehydrators and into the waste water ponds and tanks. Besides being quite useless, the water could be damaging to cultivated fields, residential properties, public beaches, fishing industries, etc. Local ordinances and close inspection usually see to it that no such damage occurs.

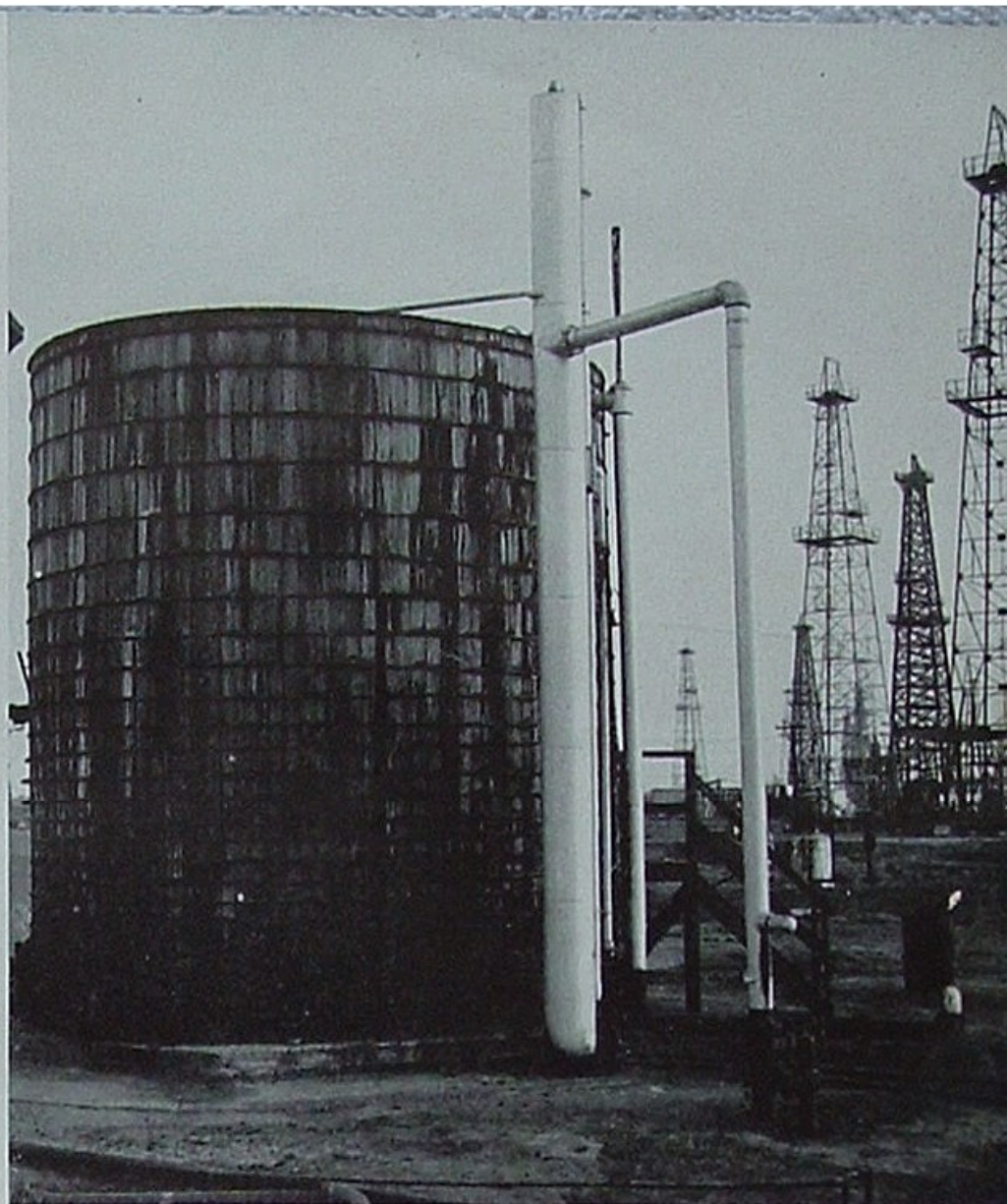
The methods of disposing of this waste water are many and varied. Normally, each field is equipped with a centrally located skim pond into which waste water is pumped from individual leases. The skim pond provides settling space and facilities for recovering the remaining particles of oil.

In a few San Joaquin Valley locations it is permissible to release waste water down the canyons, which greatly simplifies the problem. However, in the coastal districts it can be disposed of to the ocean only after extensive treatment and purification. At Santa Fe Springs, located near populace towns, cities and public beaches, the water must be made almost perfectly clean and harmless before being released. In this vicinity the Company has cooperated with several other producers to form the Santa Fe Springs Waste Water Disposal Company. This concern cleans and releases upward to 100,000 barrels of waste water daily. Similar costly operations are required at several other locations.

IODINE

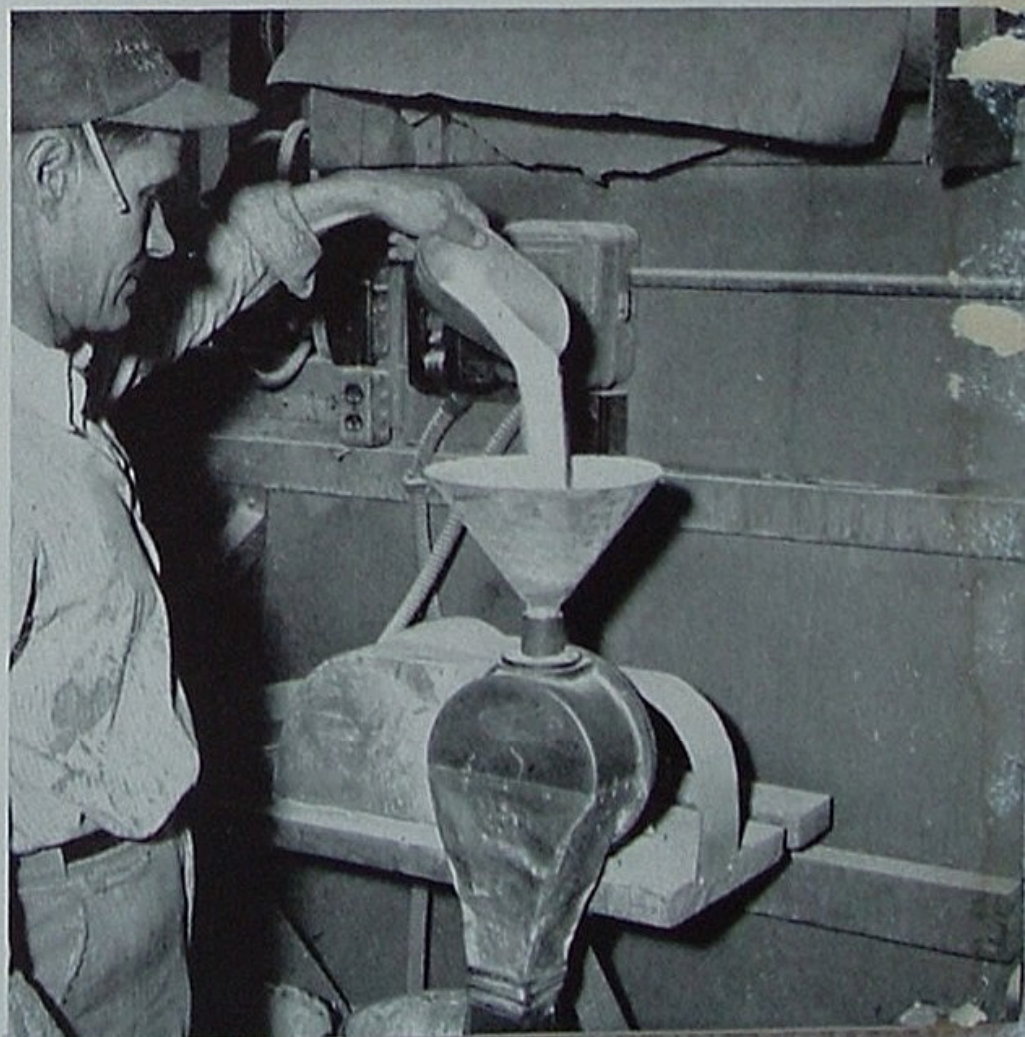
Probably the only drop of cheerfulness in this sea of waste water is found at the plant of the Deepwater Chemical Company, Ltd., located near our Dominguez Pump Station. Here the water undergoes a series of treatments and is made to give up its content of iodine. From a million parts by weight of waste water only 70 parts of iodine are recovered. Nevertheless, this small company, operated entirely outside the control of Union Oil Company, accounts for a large percentage of the iodine produced in America. Thus the oil industry may to an extent take credit for producing tincture of iodine for cut fingers; and the potassium iodide used as a goiter-preventive in table salt, an ingredient of cattle feed, and a chemical for photographic work.

ON TOUR



(Above) The separation of water from chemically treated crude takes place in a "wash tank" (on Farewell Lease, Santa Fe Springs). The tall vertical boot rising above the wooden tank separates gas and levels out surges.

(Below) From oil field waste water comes the goiter-preventing potassium iodide of your table salt. But that is another story to appear in ON TOUR soon.



QUALITY PRODUCTS AT WORK



Industrial Service Representative Gordon Reid stands beside largest of earth-moving trucks, whose motor subscribes to a steady diet of T5X Oil.

Call for T5X

At Mills Field earth is being moved from a hillside to a marshy tract bordering San Francisco Bay at the rate of one million cubic yards a month. When the project is completed San Francisco will have one of the largest and finest airports in the world.

This earth-moving activity is something of a wonder in itself. It is being done by a comparatively small fleet of forty trucks, thirty of which, belonging to the Guy F. Atkinson Company, are rated as the largest of their kind ever built. They consist of Peterbilt tractors, equipped with 200-horsepower Cummins engines, and pulling Southwest bottom-dump trailers. Each has a hauling capacity of 38 cubic yards. These trucks are very stimulating to an oil salesman, as each crankcase holds 12 gallons of lubricating oil and the trucks are drained and refilled weekly.

Union Oil Company representatives had been working with this account for more than two years in an effort to demonstrate the merits of T5X Oil. But they had always found their competitors too well entrenched.

However, soon after the Mills Field project started, an opportunity presented itself. The big trucks, coasting down-grade with a full load and speeding back uphill empty, were beginning to lose bearing after bearing. Heavy dilution in the crankcase and rapid changes of motor temperatures were giving lubricants the "acid" test.

After numerous losses and experiments, the truck owners finally consented to see what T5X could do. They divided their fleet into three sections of 10 trucks each, using T5X in ten trucks and two competitive brands of oil in the other two sections.

To date the results are highly satisfying to Union Oilers generally and particularly to Industrial Service Representative Gordon Reid and Consignee E. G. Coopman of South San Francisco. Over the long initial test period the ten trucks lubricated with T5X had only one bearing failure. In contrast, the trucks lubricated with competitive oils continued to show numerous failures.

Dragline Appetite

In the Central Valley Basin, the great agricultural heart of California, Nature's out-moded water system is being revamped. Under the Bureau of Reclamation's Central Valley Project great dams are being constructed to prevent floods, produce electric energy, and store water for summer irrigation.

An important part of this project is the Delta-Mendota Canal. Starting on the western side of the valley near Tracy, it will carry 4,600 second-feet of surplus Sacramento River water 120 miles up the San Joaquin Valley to Mendota. This will replace the irrigation water being diverted from the San Joaquin River to two other canals on the eastern side and will irrigate many new acres of farm land.

It is surprising that most of the digging of this huge canal is being done by a working crew of only three men to a shift. Two of these are oilers, the third is operator of the mammoth dragline excavator shown on this page.

Despite its weight of 800 tons, the dragline moves easily from place to place on pontoons that operate crutch-like. From its 200-foot boom is suspended a bucket capable of conveying 15 cubic yards of earth weighing more than 25 tons. During a recent 21-hour performance the dragline rooted up 19,000 cubic yards of earth and deposited it in neat banks alongside the canal.

Such giants can be expected to have hearty appetites for the petroleum products that power and lubricate them. This one, belonging to Morrison-Knudsen & M. H. Hasler, is no exception. In a 21-hour day it will consume approximately 500 gallons of Union Diesol. For a single oil change it requires five barrels of T5X Oil, plus another full barrel of oil for the air cleaner. Correspondingly large quantities of Unoba Grease are regularly applied to its many grease fittings. Its long reels of wire rope are preserved and made flexible with Unacal Cable Lubricant.

The two Union Oilers who are most actively engaged in serving this hard-working consumer are Consignee M. F. Pimentel of Tracy and Industrial Service Representative Charles Taylor of Sacramento. Both have long and valuable backgrounds of Company experience.

ON TOUR



Consignee M. F. Pimentel, right, commits Engineer Arthur Gray's oil order to writing to assure faultless service and a complete supply of Company products on the Delta-Mendota Canal job. The mammoth dragline excavator, below, holds a 15-yard bucket on its 200' boom.



Two men standing in the excavation give an indication of the canal's proportions. Its lined trough will carry 4,600 second-feet of water.



Marketing Department

GENERAL SALES AND SALES SERVICES



W. L. SPENCER
Manager of
Sales Services



A. E. GROGAN
Sales Services
Retail



H. D. SEELEY
Sales Services
Administrative



C. E. RATHBONE
Sales Services
Wholesale



A. C. STEWART
Vice President



O. BERG, JR.
Vice President and
Manager of General Sales



LAWRENCE WOLFF
Manager of
Refinery Sales



J. W. GRAHAM
Manager of
Foreign Sales



M. C. WESTON
Special Representative
New York



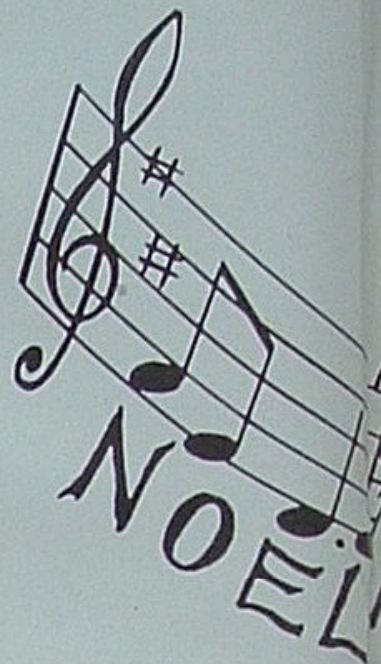
V. O. NORDQUIST
Special Representative
Chicago



H. L. PAINTER
Division Manager
Central America



EUREKA marketers and their wives exchanged holiday greetings in the Cinebar Room of the Eureka Inn.



LOS ANGELES

The Head Office Girls Club purchased and dressed sixty dolls for Christmas Eve distribution to neglected children at Juvenile Hall in Los Angeles. Shown at left with some of the products of their kindness and generosity are Welfare Committee members (L-R) Annis Tully, Muriel Tallman, Mary Arbogast, and Florence Hicks. Sixty children were made merry!

Cut Bank and Great Falls poured coke from capped bottles . . .

. . . took partners to execute a tribal Fox-trot or two . . .





ORCUTT field employees were treated to a buffet dinner by Santa Fe Drilling Co. and Key Contractors.

OLEUM

Dependent children at Juvenile Hall in Martinez were also rescued from an un-merry Christmas when the Oleum Girls' Club rounded up a box of gifts and some money for Santa to deliver. Seen at right receiving the gifts is Deputy Probation Officer Everett Joseph, a former Union Oiler. Representing the givers are President Bertha Gebauer and Secretary Anita Albisu (right).



... paused to sample a new corn and bunion remedy ...

... then danced on and on until the crack of Christmas dawn.



...Meet the Management

This seventh in our series of picture-charts and biographical sketches presents the men who supervise Union Oil's Sales Services and General Sales Departments. Biographies of Messrs. A. C. Stewart and O. Berg, Jr., were published in the July, 1947, issue of ON TOUR.

LAWRENCE WOLFF **Manager Refinery Sales**

... Born May 19, 1895, in Oakland, California. . . . Educated in public schools at Mill Valley, California. . . . Worked for two years with Shreve & Company, San Francisco. . . . Joined Union Oil Company May 13, 1912, in San Francisco in the Sales Department. Upon being transferred to Head Office in 1921, he became in succession assistant manager Fuel Oil and Asphalt Sales, manager Fuel Oil and Asphalt Sales, and assistant sales manager. . . . From 1942 to 1946 served in the U. S. Navy, rising to the rank of Captain and serving as Officer in Charge of Army and Navy Petroleum Pool, Pacific Coast. . . . On returning to the Company in 1946, was appointed manager Refinery Sales.

JOHN W. GRAHAM **Manager Foreign Sales**

... Born October 23, 1899, in Durham, England. . . . Educated at Cumberland Technical College, England, and at Dalhousie and McGill Universities, Canada. . . . In Canada worked as an engineer for British Empire Steel Corporation, Union Steamship Company, and Vancouver Lumber Company. . . . Joined Union Oil Company in February, 1927, as a salesman in Vancouver, B. C., later serving there as marine and industrial salesman in 1928, lubricating engineer in 1929, supervisor lubricating oil sales in 1931. Served as a technical lubricating engineer and special representative in Singapore from 1931 to 1934, and in Durban, South Africa, from 1934 to 1938. Transferring to Los Angeles, was assigned to Foreign and General Sales in 1942, where he was appointed assistant manager in 1943 and manager in 1944. . . . Is a licensed engineer in British Columbia, a licensed marine engineer; and a member of the Society of Automotive Engineers, Los Angeles Chamber of Commerce, Foreign Trade Association of Southern California.

MYRON H. WESTON **Special Representative New York**

... Born February 14, 1902, in Chester, Illinois. . . . Educated at McKinley High School, St. Louis; Georgia Tech, Atlanta; Washington University, St. Louis. . . . Worked for St. Louis & San Francisco Railroad, Standard Oil Company of Indiana, Shell Oil Company, San Francisco, and Merco-Nordstrom Valve Company, Oak-

land. . . . Joined the Company's Southwest Territory Sales February 1, 1941. Was appointed division representative, Las Vegas, in 1941; special representative in Head Office Traffic Department in 1944; and special representative New York in 1946. . . . Is a member of American Society of Mechanical Engineers, Society of Automotive Engineers, National Association Sales Managers.

V. O. NORDQUIST **Special Representative Chicago**

... Born April 4, 1904, in Salt Lake City. . . . Educated at East High School, Salt Lake City, and Southwestern University, Los Angeles. . . . Joined Union Oil Company August 28, 1920, as an office boy in Los Angeles, serving during the succeeding six years in a variety of clerical assignments. After being appointed a traveling auditor, he was made district accountant at Phoenix and Portland; district sales manager at Bremerton, El Centro and Reno; division manager at Sacramento; and in 1947 moved to Chicago as special representative.

HARRY L. PAINTER **Division Manager Central America**

... Born August 7, 1898, in Kansas City. . . . Educated at Manual High School, Kansas City. . . . Worked for Standard Oil Company of Indiana, the Texas Company, and on numerous construction jobs throughout the Southwest. . . . Joined the Company's Sales Department at Phoenix, Arizona, August 22, 1927. Subsequent sales assignments took him to Fresno in 1928 and Los Angeles in 1929. He was appointed special agent, Spokane, in 1931; district manager, Olympia, Washington, in 1933; district manager, Bremerton, in 1934; member of Head Office lubricating oil sales staff in 1938; and division manager, Central America, in 1942.

W. L. SPENCER **Manager Sales Services**

... Born March 29, 1909, in Beaumont, Texas. . . . Educated at San Pedro High School and University of California, Los Angeles. . . . Joined Union Oil Company June 14, 1932, working in the Control Laboratory, Los Angeles Refinery, and later in the Analytical Laboratory. Was appointed research chemist, Los Angeles Refinery, in 1936; research chemist, Oleum, in 1938; technical assistant, Head Office Sales, in 1941; technical assistant, For-

(Continued on Page 23)



Union Oil Float Wins Grand Prize at Pasadena

NEW YEAR'S DAY SUCCESS FOR COMPANY

Union Oil Company sponsored the first commercial television broadcast of the famous Pasadena Tournament of Roses Parade on New Year's Day. Highlight of the event was the announcement that Union's float, "The Girl of the Golden West," had won the Grand Prize of the Tournament, which is the highest award to be given to any commercially sponsored float.

Prior to the televising of the Rose Bowl football game, Union presented a half hour program introducing the players on the two teams. Following the game, the Company presented a televised discussion of the game featuring theatrical and athletic celebrities. Pictures and story of the parade appear on pages 2 and 3 of this issue.

\$15,000,000 LOAN RECEIVED BY UNION

Union Oil Company received a \$15,000,000 loan from the New York Life Insurance Company on December 18, 1947. Bearing an interest rate of 2.8%, the 25-year note will be due in December, 1972, and is subject to a sinking fund of 4% of principal commencing in 1953.

In view of rising interest rates, the favorable terms of the loan made it advisable for us to secure these additional funds in advance of their actual need to augment the amounts currently provided for expansion and the replacement of plant facilities and crude oil reserves.

The amounts being set aside for depletion and depreciation represented only the historical cost and not the number of dollars that will be necessary to effect replacement today or in the foreseeable future. While it is true a large percentage of the Company's profit is being plowed back into the business, there is no guarantee that these additional amounts will be sufficient to offset the constantly rising cost of replacement.

FACTS ABOUT THE OLEUM REFINERY FIRE

The fire at the Oleum Refinery on December 22, 1947, was caused by a break in the feed line to the evaporator of the cracking plant. This break permitted vapors and oil from the high pressure evaporator, dephlegmator and condensing system to blow in the air and crude oil was

sprayed from the highway to the bay.

After spraying for about half an hour, the vapors caught fire and burned as a torch at the top of the cracking plant evaporator. Oil sprayed on the adjacent vacuum unit also ignited. Damage to the cracking plant was very slight while damage to the vacuum still consisted of the destruction of the small control house, some pumps, motors and numerous instruments.

All units of the refinery unaffected by the fire returned to operation immediately after the blaze was extinguished. Both the cracking plant and the vacuum unit were repaired within a few days.

Despite stories appearing in the press, total damage caused by the fire amounted to not more than \$50,000. An additional \$30,000 to \$35,000 expense will be necessary to scrape off crude oil and repaint tanks not involved in the fire.

CHRONOLOGY OF CRUDE OIL AND PRODUCT PRICE INCREASES

Effective December 1, 1947, Union Oil Company announced increases averaging 40c per barrel in the amount it would pay for crude oil in California. This increase was necessary for us to meet the competition of those companies that were paying premiums over and above the posted prices in various fields. Also, due to the substantially higher prices being paid for crude oil in the Gulf Coast and Mid-Continent, there was considerable danger that some California crude oil or products might be shipped East, even though there is an urgent need for all available supplies in this area.

Other major companies did not increase their posted prices until after December 27th, when Standard Oil Company of California increased their postings by 50c. In the interim period, however, many companies were paying Union's postings.

Concurrent with their crude price increase, Standard raised product prices: Gasoline 1.8c per gallon; fuel oil 40c per barrel; and diesel oil 1.2c per gallon.

To guarantee adequate supplies of crude for our refineries, we met Standard's crude oil increase and on December 30th, 1947, our product prices were adjusted upward to be in line with competition.

LUBRICANTS LINE SIMPLIFIED

Union's lubricants line is being simplified and streamlined to meet changing market conditions and to offset the rising costs of manufacturing, and multiple packaging and inventories.

This streamlining will take place in two steps: (1) the elimination from our line of some 45 lubricants, the demand for which has been constantly diminishing, and (2) the rebranding of a number of lubricants under a few common brand names.

By concentrating our efforts on those multi-purpose lubricants which meet the demands of more than 99% of our customers, it is felt that our sales effort can be better concentrated and that a considerable saving will be effected in manufacturing and distribution.



ADDED HONORS

"For his outstanding efforts in impressing upon the public the many benefits of the Free Enterprise System," President Reese H. Taylor has received the Southern California Financial Writers Association 1947 merit and achievement award. The presentation was made by J. K. Baillie (left), president of the association, at a luncheon meeting in Los Angeles.

MANUFACTURING

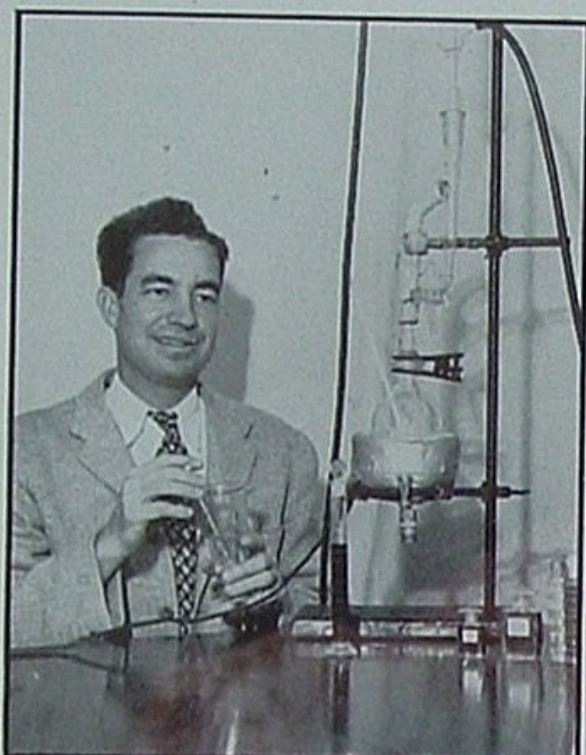
L. A. Refinery

GALE PETERSON, *Correspondent*

SAM COE, PERFUMER

Ever wonder what a chemist does on his day off?

Well, Sam Coe of Research at Los Angeles Refinery has a hobby that needs only a French accent to put his name in every lady's boudoir. He is a maker of those ultra-aroma perfumes!



SAM COE

Inspired perhaps by a few laboratory mercaptans, Sam sped home after work seven years ago and began dabbling with some of the earth's aristocratic oils. Among these were rose oil from Bulgaria, ylang-ylang oil from Turkey, bergamot, sandalwood and patchouli oils from the East Indies, petitgrain and jasmine oils from France. In all, it required 20 different ingredients to make an ordinary perfume and as many as 32 to create something on an aromatic level with "Carnation." You can steal some of these ingredients at from \$20 to \$40 an ounce on bargain day.

But, says Sam, it's easy to make a priceless perfume once you master the oils, the aromas and the recipes. There's a little trick to mixing everything in proper proportions so that all will evaporate proportionately. The aroma must be capable of hypnotizing an incautious male and must be fixed evenly throughout the solution by a mixture of four or five natural gums. You let the concoction stand for six months in "aged" ethyl alcohol; add tincture of ambergris, civet and musk; age for two additional months in a refrigerator; filter to remove any precipitate; and, without even broiling in a slow oven, pour into bottles that are deceptively small and irresistibly ornate. That's all there is to it!

WHAT GOES ON HERE

Research monopolized the publicity spotlight this month as still photographers and movie men shot numerous batches of pictures for the Tournament of Roses telecast and a new Union Oil lobby series. Our Wayne "Errol" Smiley was also called to Hollywood to give technical assistance in the making of a new training film for major oil companies.

At San Pedro's opening of Santa Claus Lane, Union Oil aided the American Legion in serving spectators with coffee and sandwiches, not to mention those slick new "76" calendars for 1948.

During Carl Morton's movie showing of the International Lawn Bowling Association play-offs, a feature of the Foremen's box social, it leaked out that Tom Gardiner is secretary-treasurer of the National Lawn Bowling Association. He has also served as president and secretary of the California association.

The Refinery cafeteria was a busy place during December, playing host to a joint meeting of the American Institute of Chemical Engineers and the California Natural Gasoline Association; a meeting and dinner of the Sigma Xi Club at which Dr. Frederick J. Moore was speaker; a Refinery Foremen's Association meeting that had Manager Ken Kingman as speaker; and the semi-annual "Speak-off" of the Refinery Speakers' Club.

THOSE CANNY SCOTS

"Now why," said Scotty Watson, "should the three of us go traipsing off to Scotland to see mother when the one of her could come flyin' here to see us?"

Of course, Scotty said no such thing; but Mother Watson did come flying to Torrance from Scotland recently to see her son for the first time in twenty years and to meet Scotty's lovely wife and daughter. Although it was her first ex-



WHOSE THAT KNOCKIN'?

With a bale o' hay here and a jug o' cider there and the wife keepin' order, it was hard to imagine yourself at a Foremen's box social. The shindig had everything from a ding bustin' good barbershop quartette to a hillbilly orchestra. But danged if that Ray Swearingen maiden and Ted "Barnacle Bill" Sluder, above, didn't nigh bust a feller in the middle!

perience in an airplane, she thrived on the Sunday-to-Tuesday hops that made other passengers airsick.

Mrs. Watson was highly pleased, as you can observe, with her son's family, with the abundance of food and clothing in the United States, and with the California climate. At the conclusion of a tour through the refinery, she nudged Paul Doyle and asked, "Could you be using another girl here?"



ON TOUR

MANUFACTURING

Oleum Refinery

BUD FITZGERALD, Correspondent

YULETIDE TIMBER-JACKS



VERN VALERRO

Several departments of the refinery were recipients of free Christmas trees, thanks to the generosity of Harry Downey and Vern Valerco of the Treating Department. These two men convert their spare time and energies each December to the cutting and hauling of many trees that decorate Rodeo homes.

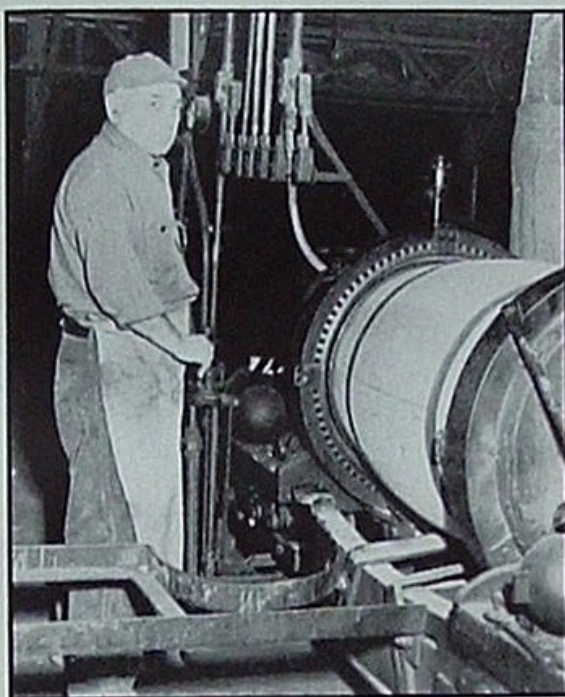
OLEUM FOREMEN ELECT

The Oleum Foremen's Association held their final dinner of 1947—a buffet affair that inspired many encores—at Spenger's Boat restaurant on December 12. The business of the evening was the election of new officers for 1948. Alex Lohse, outgoing chairman, presided, and at the dinner's conclusion passed the Association's gavel to the new chairman, Art Taylor of

STARTING THE NEW YEAR EASY

To Antonio Cunha, a cooper in the Compound Department, December 31 meant the conclusion of a lengthy oil industry career as well as the year's end. Except for a three-year intermission of army service during World War I, Tony has served the Company well and faithfully since September 6, 1910, as a soft barrel cooper at Oleum.

Most of his hobby time has been devoted to home gardening, the raising of four fine children, and operating a counseling service in the rearing of numerous grandchildren. His son Henry operates a carpenter shop, where Tony will probably keep his craftsmanship in trim.



BEAR HUNTER SHOTS BIG ONE

Lester Hickin, Valve Shop mechanic, recently bagged his third bear on a hunting trip in Mendocino National Forest on the Covelo Road. The bear was the largest he had ever shot, and the largest killed in that territory in the last fifteen years. It weighed over 500 pounds, had a collar measurement of 33½ inches, and yielded the hunter 28 quarts of lard. The skin would just about carpet a 1947-sized living room wall to wall!

CHRISTMAS DANCE

Sponsored jointly by the Employees' Recreational Association and the Girls' Club of Oleum Refinery, a gala Christmas dance was held December 18 at the Casa de Vallego Hotel. All Oleum employees and their guests were invited and the Christmas spirit prevailed. A highly pleasing feature of the evening was the music furnished by Walter Kreutzen, job analyst at Oleum, and his fine dance orchestra.

OLEUMITES

Robert J. Annand has celebrated his thirty-fifth year of continuous service by paying an extended visit to his homeland in Scotland. After visting many friends and relatives there and in England, he returned November 19 to Oleum and the job. Like most of us discover, Bob found the trip very enjoyable, but the homecoming even more so. He regrets not having been here to attend the Company's Anniversary Dinner for thirty-five-year men held in October.

Jack Shafer of Alhambra, California, a retired Oleum employee, paid us a surprise visit on December 16. He enjoyed bringing conversation up to date with his many friends at the refinery and in Rodeo.

Maltha Refinery

AGNES DUGAN, Correspondent

THE NEW LOOK

When asked if his facial foliage and battered overalls were Frontier Day inspired, Frank Carpenter of Maltha replied, "Nope, Fashion says to wear 'em longer this year."



ON TOUR



MARKETING

Northwest Territory

GUDRUN LARSEN, Correspondent

HIGH AND INSIDE

The Land Department have opened their Seattle dugout to none other than Earl Johnson, Boston Red Sox pitcher. During 1947 Earl enjoyed his most successful baseball season, the first half as a relief pitcher and the second half as a starting pitcher. In the relief role, he was credited with winning 12 and saving 10 while losing only 11 games. He topped all other pitchers on his club by playing in 45 contests. He will return to the Red Sox at Sarasota, Florida, for spring training.



EARL JOHNSON

On reporting to the Land Department, Johnson brought along a brand new map maker's kit. He had captured it while serving with the 120th Infantry Rifle Company, 30th Infantry Division, in central Germany. Despite the instructions in German that accompanied the kit, he found many of the gadgets to be copies of American brands and readily usable. Earl served throughout every day of four major European campaigns; received two battlefield promotions to 1st Lieutenant; and was awarded the Bronze Star and Cluster, and the Silver Star. He saw action in Northern France, the Rhineland, the Belgian Bulge, and Central Germany.

Leave it to a newcomer to recognize an opportunity that most of us have overlooked. When acquainted with Union Oil credit cards and their ready availability, Earl exclaimed: "Hallelujah, my Christmas shopping problem is solved. It'll be a year's supply of 7600 Gasoline on the cuff to each of my friends—their cuff, not mine!"

DIVIDENDS

Mr. W. C. Stevenson
Los Angeles, Calif.
Dear Mr. Stevenson:

Seattle, Nov. 6

All Company employees, and particularly those of us who have suffered a long period of illness, owe a debt to gratitude to the Company officials, past and present, who have conceived, authorized, perpetuated and enlarged upon various employee benefits.



O. M. JOHNSON

Upon many occasions I have extolled the virtues of the various plans to new employees, little realizing that I would one day be the recipient of the maximum allowance for sick pay (22 weeks) and the maximum in disability insurance (30 weeks) and would incur medical expenses crowding the maximum allowable.

During my first 23 years of service, it was my good fortune to enjoy perfect health. Sickness was always regarded as something intended, not for me, but for someone else. Without warning, I awoke one June morning in 1946 to find it right in bed with me.

Then for many months I was compelled to remain right in bed with it.

Fortunately I had always availed myself of every benefit plan offered to the employee by the Company. As a result, my financial plans have been only slightly disturbed in spite of a sick leave of nearly 15 months.

I am very grateful.

Very truly yours
O. M. JOHNSON
Territory Accountant
Northwest Territory

Editor's Note — Mr. Johnson joined Union Oil Company in 1923 as a clerk and warehouseman in Olympia. He did accounting and auditing work in the Seattle Office from 1924 to 1927, when he was appointed Assistant District Accountant. In this latter capacity he served at Portland from 1930 and at Seattle from 1933. He was made Division Accountant, Seattle, in 1942 and Northwest Territory Accountant in 1945.

Southwest Territory

BETTY HART, Correspondent

WELCOME!

Two British accents and two cups of tea in the coffee shop served to introduce Zena McLaughlin to Beryl Ross and both of them to us.

Beryl arrived on American soil in 1946 aboard the MONTEREY along with 15,000 other Australian fiancées and brides. She was married in Santa Monica December 15 of that year to a Yank whom her father had rescued from the loneliness of an Australian furlough and taken home to dinner. From that small beginning Beryl started her long trip to the halter, as they say in London. She finds comptometer operating little different here than in Australia; but those little individual bags of tea are certainly a novelty.

Zena was married in London in 1945 to a Flying Fortress radar operator who had completed 25 bombing missions. She preceded her husband to America and is now doing her share of the bread-winning while he completes his studies at the University of Southern California. They first met at a dance in the Covent Garden Opera House, London. Troubled a little with shyness, he had to bribe one of his buddies to ask her for the first dance. Zena comes from a family of five girls. They were bombed out of two homes during the war, and during one bombing their mother was buried in debris for eight hours before being rescued. Zena worked for Burroughs Calculator Co. in London and the United States before coming to work for Union Oil.

When asked what we might offer to make their bliss more blessed, both girls promptly replied, "An apartment!" thereby catching us flat-footed.



ZENA McLAUGHLIN and
BERYL ROSS

MARKETING



COMMODORE W. A. COLE

Wiley A. Cole, District Manager at Santa Barbara, has just completed a very successful year as Commodore of the Santa Barbara Yacht Club. During his regime the Santa Barbara Club was host at one of the most successful regattas ever held by Southern California and Pacific Coast Yachting Associations.

GOING PLACES

SAN LUIS OBISPO—Something exciting always happens to Resident Manager Johnny Johnson's vacation rest. In 1944 his El Centro marketing plant caught fire and burned. In 1945 he opened "Life" magazine to behold his own picture. This year the TRAIN OF TOMORROW came to town and insisted that he hurry over with 600 gallons of Union Diesel. A real purty sight that TRAIN OF TOMORROW and Truck 1796 sittin' there holdin' hoses!

MONROVIA—Consignee Bill Lewis and the Mrs. finally hitched on to that long-planned sea voyage to the West Indies. With a party of friends they left New Orleans October 17, making stops at Jamaica, Venezuela, Dutch West Indies, British West Indies, Trinidad and other palm-fringed places. They enjoyed the trip, but have decided to keep their home address in Monrovia.

PHOENIX—"Don't bother us. Can't ya see we're bowling? Yes, that's Kelly Koldoff's Royal Tritons leading the league, with Bud Wall's 7600's in second place, Bill Lee's 76's in third, and Dick Shaff-stall's Tritons trailing. Now beat it!"

PROMOTIONS—William S. Martin has stepped up from Resident Representative at Burbank to Resident Manager at Santa Barbara. . . . Robert W. Harrington has disembarked from a tank-truck to become the new Resident Manager at Oxnard.

Central Territory

EVERETT SMITH, Correspondent

ALOHA

Word has come from China that Union Oiler Sui Lun Tom has "returned to the West." His death came on November 26, just as he was preparing to return to his Honolulu Office job after a five-months' visit with his wife and daughter in Hong Kong.

All during the war Sui Lun Tom had been saving money and vacation time for this visit to the old country. He will be keenly missed by Honolulu employees, all of whom liked and respected him for his dependability, earnestness and willingness throughout 22 years of service as a plant-man and clerk.

GLEANINGS

George Sellman, Lawrence Johnson and Walt Ramazzini of the Colusa marketing station were popular hosts during pheasant season this year, entertaining many Union folks and their guests from as far distant as Sacramento, Stockton and Reno. Ed Bollinger of Reno also introduced Oakland and Chico guests to the pheasant sport in Nevada. . . . Honolulu reports one of the coldest Christmases on record—a frigid 70 degrees as compared with that blistering 87 in Los Angeles. Meanwhile in Reno the newlyweds, Kit and Mac Small were rejoicing over such wedding presents as wool blankets and a tonic for chilblains.

MORE BEAR

Bear stories are something like fishing tales; the later you tell 'em the bigger they get!

Now, after hearing about Lester Hickin's 500-pound monster, we can brag about a 600-pound bear shot on Snow Mountain in Lake County by Carroll Vann, service station lessee at Lakeport. Vann, with the help of his father, brother and nine dogs, chased the big fellow an entire afternoon before making the kill. It was a black bear and the biggest taken in Northern California for many years. — By E. P. Hoisington.



CHAMPIONSHIP BOUND

Union Oil Company is represented in the Honolulu Business Men's League by this team recruited from the Honolulu Marketing Station. With the season half finished they had lost only one game and were definitely in the running for the championship. District Sales Manager Robert Rath is the coach. Games are played once a week against such strong teams as Libby, McNeill & Libby; Hono-

lulu Construction & Draying Company; Hawaiian Pineapple Company; Bishop First National Bank; Hawaiian Airlines; and American Factors.

Shown below are (L-R) back row: Robert Rath, Tom Blake, Gerald Okada, Thomas Young, Tokuzo Ono, John Lum, Clarence Armstrong; front row: Raymond Maruya, Uichiro Tomita, Kiyoto Mori, Joseph Burnett, Herbert Meyer.





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Editor

MARGARET BURNELL
Assistant Editor

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Al Luttrell *Coast*
Lloyd Kinney *Southern*

MANUFACTURING

C. R. Fitzgerald *Oleum*
Agnes Dougan *Maltha*
Gale Peterson *L. A.*

MARKETING

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Betty Hart *Southwest*

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MARINE DEPARTMENT

Capt. L. L. Lishman
Wilmington

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ON TOUR is published monthly in the interests of employees of Union Oil Company of California. Employee contributions of pictures, news reports and suggestions are invited. Address communications to the Editor, 617 West 7th Street, Los Angeles 14, California.

PIPE LINE DEPARTMENT

RARE SPECIMENS UNCOVERED

Among the Union Oilers that most regularly avoid publicity are the men of the Pipe Line Department. To get this picture at sunset required the combined services of a native guide, an employee relations manager, a photographer, and your newsboy. We had to drive 200 miles, knock down a door, break up a supervisors' meeting, and hold the warriors in line with false promises of beads and calico.

Pictured below with the explorer (holding hat) are the Pipe Line chiefs who had convened for a Junction Station powwow. (L-R) Ray Damskey, C. O. Yoakum, A. Schmidt, C. H. Campbell, J. P. Rockefeller, S. D. Taber, Ray Haynes, J. W. McMillan, G. L. Parsons, Wm. M. Conley, E. J. Smith, Jack Gordinier, Leo Anderson, J. H. Robinson, and Harvey Colby.

The feast that followed the blowing of the local conch shell accounts for much of the world's present food shortage.



HEAD OFFICE



HOMER RATHBUN

RAY TEAL, Correspondent

CHARTER PRESIDENT

At their first official election meeting, the Junior Traffic Club of Los Angeles elected Homer E. Rathbun of Union Oil Company to the office of club president. He is one of the six founders of this organization, whose membership already exceeds 100 traffic men and is expected to become one of the largest clubs of its kind in the country.

The purpose of the Junior Traffic Club is to provide an association through which the younger traffic men may gain a better understanding of the transportation industry, promote better ways and means of serving the public, and encourage closer social ties among transportation people.

Homer Rathbun came to work for the Company in January, 1945, after several years of railroad and other transportation experience. He is at present a special clerk in the Traffic and Distribution Department, where he handles export shipments and inquiries. He will be installed as the first president of the Junior Traffic Club at an inaugural dinner in the Roger Young Auditorium on January 29.

ON TOUR



SERVICE BIRTHDAY AWARDS

JANUARY 1948

Forty Years

Higuera, Frank M., Oleum Refinery Mfg.

Thirty-Five Years

Iverson, Horace G., Oleum Refinery Mfg.
Richards, Wm. H., Nor. Div. Pipe Line
Root, Clark W., So. Div. Field

Thirty Years

Calboun, John Craven, No. Div. Pipe Line
Fisher, Harold H., Central Territory
Flower, Forest F., Southwest Territory
Weber, Carl, Coast Div. Field

Twenty-Five Years

Angel, Edgar H., So. Div. Pipe Line
Dean, Don R., Southwest Territory
Endicott, Claude W., Northwest Territory
Flynn, Beulah M., H. O. Compt.
Frazier, Vernon S., So. Div. Field

Jacobsen, Shirley, Oleum Refinery Mfg.
Longfellow, Clayton F., No. Div. Pipe Line
McKeen, Albert E., Oleum Refinery Mfg.
Phillips, Joseph M., Oleum Refinery Mfg.
Rogers, Elmer C., H. O. Compt.
Sanders, Guy W., No. Div. Pipe Line
Willis, William S., So. Div. Field
Yarnell, Arthur B., So. Div. Field

Twenty Years

Bailey, Freda S., Northwest Territory
Bowen, Albert M., Union Oil Maintenance
Carlson, John W., Northwest Territory
Clegg, Alindon R., Central Territory
Freligh, Everett W., Los Angeles Refy.
Holland, Lesley R., Coast Div. Field
Keane, Anna L., Central Territory
Lusardi, Albino S., No. Div. Pipe Line

McAdam, Russell G., Purch.-San Fran.
Manning, Everett E., Oleum Refinery Mfg.
Quick, John R., Coast Div. Field
Robinson, Marvin V., Coast Div. Field

Fifteen Years

Cairney, Ralph L., Northwest Territory
Parr, Louis J., Oleum Refy. Mfg.
White, Frank L., H. O. Compt.

Ten Years

Ekberg, Martin G., Southwest Territory
Johnson, James Dow, Oleum Refy. Mfg.
Justice, Marian M., Central Territory
Parker, Howard G., Southwest Territory
Ruddock, Bertha A., H. O. Secretarial
Rude, Roy V., Central Territory
Searing, Eva Mae, Great Falls, Mont.
Slagill, George E., Southwest Territory

MEET THE MANAGEMENT, Cont.

eign and General Sales, in 1943; technical representative, New York, in 1943; and manager Sales Services in 1946. . . . Is a member of American Chemical Society, Alpha Chi Sigma, and American Petroleum Institute Lubricating Committee.

A. E. GROGAN Sales Services Retail

. . . Born August 31, 1904, in Durango, Colorado. . . . Educated at San Diego High School. . . . Worked for Standard Oil Company for five years; operated an independent service station for one year; worked for Hazard-Gould Hardware Company for one year. . . . Joined Union Oil Company December 10, 1928, as an officeman in San Diego. In Los Angeles was appointed assistant division accountant in 1930, special representative Head Office in 1933, and assistant regional manager in 1933. At San Francisco was made regional manager in 1937 and assistant division sales manager in 1942. His appointment to Sales Service Retail was effective May 1, 1943. . . . Is a member of Chamber of Commerce and Advertising Club of Los Angeles; is also West Coast Chairman of the Oil Industry's Tires, Batteries and Accessories Executive Group.

HAROLD D. SEELEY Sales Services Administrative

. . . Born April 27, 1896, in Farmingham, Minnesota. . . . Educated at North Central High School and Lewis and Clark High School, Spokane. . . . Worked for Shaw & Borden Company, U. S. Bureau of Foreign & Domestic

Commerce, Crescent Manufacturing Company; and owned and operated a mailing service in Seattle. . . . Joined Union Oil Company June 29, 1922, as a stenographer in Seattle, serving for six years as secretary to Northern Division manager. . . . Was appointed manager of operations, Northern Division in 1928. At Head Office in Los Angeles he became assistant to manager of properties and facilities in 1929, chief clerk retail properties in 1939, assistant to sales manager in 1941, office manager in 1941, office manager sales in 1942, coordinator Distribution Department in 1942, chief of properties and facilities section of Sales Services in 1945, and chief of administrative section Sales Services in 1946.

C. E. RATHBONE Sales Services Wholesale

. . . Born August 16, 1909, in Denver, Colorado. . . . Educated at Glendale Union High School, Glendale, California, and University of Arizona, Tucson. . . . Worked as a machinist for Commercial Iron Works. . . . Joined Union Oil Company April 30, 1929, as a clerk in the Accounting Department, Los Angeles, rising to chief clerk in 1932. In Northwest Territory he was appointed chief clerk in 1938; service station superintendent, Eugene, in 1940; service station superintendent, Portland, in 1941; retail supervisor, Seattle, in 1943. He also served as retail supervisor at San Francisco in 1943 and at Sacramento in 1945. Subsequently he was made assistant division manager, Seattle, in 1945, assistant manager Sales Services, Seattle, in 1946; and was appointed to his present Head Office assignment in 1947.

Just how high are prices?



1. Almost everyone is talking about prices today in terms of *money*. Actually, money hasn't anything to do with prices. The *true price* of anything is what it takes in bushels of wheat, or gallons of gasoline, or hours of labor to buy it. Money is simply a medium of exchange.



2. For example: Suppose a single man in 1941 made \$30 a week and spent \$10 a week for food. And suppose he makes \$60 a week today at the same job and spends \$20 a week for food. His food today is costing him twice as much *money*. But the *true price* of that food hasn't changed one iota. He still buys it with exactly 1/3rd of his week's labor.

RETAIL PRICE OF 76 GASOLINE AT LOS ANGELES

	Price per Gal.	State Tax	Federal Tax	Total
1941	13½¢	3¢	1½¢	18¢
1948	17.4¢	4½¢	1½¢	23.4¢



3. This typifies a condition that is more widespread than many people realize. We get more *money* today for gasoline than we did in 1941. But the *true price* has actually *gone down*—not only in relation to other commodities but in terms of what we have to buy to stay in business. In 1941, for example, it cost \$2.27 in *money* to lay a foot of pipe line.



4. With the retail price of 76 Gasoline at 13½¢, that meant it took 17 gallons of gasoline to buy a foot of pipe line. Today it costs \$5.68 in money to lay a foot of pipe line. So with the retail price of 76 at 17.4¢ it now takes 33 gallons to buy a foot. If this were an isolated case, you might conclude that the *true price* of pipe lines was *high* rather than that the *true price* of gasoline was *low*.



5. But it isn't an isolated case. In 1941 a new service station was worth 7½ tank cars of 76 Gasoline. Today it takes just about 11½ tank cars to pay for one. In 1941 refining equipment could be built at the cost of 2,963 gallons of 76 per barrel of capacity. Today it costs 5,747 gallons. And you find a similar relationship in almost everything we buy—from crude oil to tank cars.



6. Under the circumstances you might well ask how we've been able to stay in business and make a profit. First, we're doing a greater volume of business. Second, our new equipment, bought and paid for by Union Oil stockholders over the last few years, enables us to operate more efficiently. But the fact still remains that the *true price* of our gasoline is *lower* today than it was in 1941.

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 14, California.