

A great deal is being said for and against the Labor-Management Relations Act of 1947, commonly called the Taft-Hartley Law. Most members of Congress defend it as sound legislation. Opponents of the Act have branded it a "Slave Law," the "Taft-Heartless Act," or, on the other extreme, "A weak attempt to correct the power abuses of labor leaders." Proponents say it is exactly what is needed to prevent needless strikes and to pressive the constitutional rights and freedoms of individual American citizens.

It is not the intention of ON TOUR to foist personal attitudes and decisions upon Company employees. Rather, in view of certain prejudiced statements being circulated for and against the measure, it appears that the fairest approach to the subject might be a careful study of the law itself.

In such a spirit, we have undertaken the following rewrite of the Taft-Hartley Law. Our version is greatly condensed, avoids legal phraseology, and omits much that is not of immediate interest to the public. Of necessity, in the process of condensation, much important material has been omitted and for that reason this summary must be regarded as incomplete, but we believe it does preserve, without bias or ambiguity, the spirit and meaning of the Act.

# YOU

#### **Declaration of Policy**

Industrial strife can be avoided or minimized if employers, employees, and unions each recognize one another's lawful rights, and acknowledge that none has any right in its relations with any other to engage in acts that endanger the public health, safety, or interest.

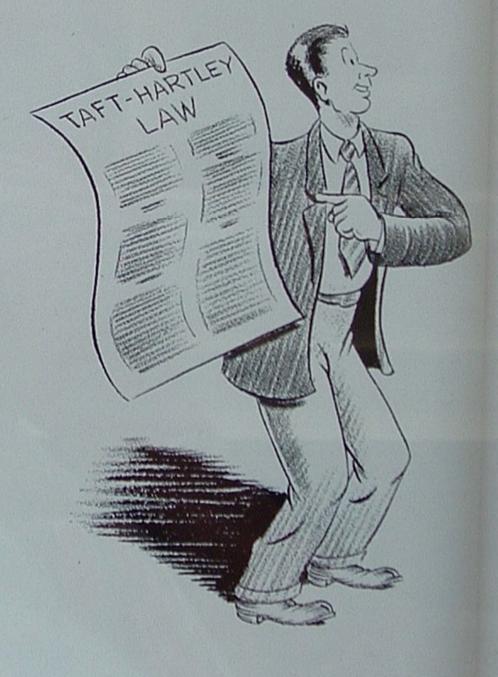
It is the purpose of this Act to prescribe the rights of both employees and employers, and to provide procedures for preventing their interference with each other; to protect the rights of union members in their relations with unions; and to provide means for settling disputes that might affect commerce and interfere with the rights of the public.

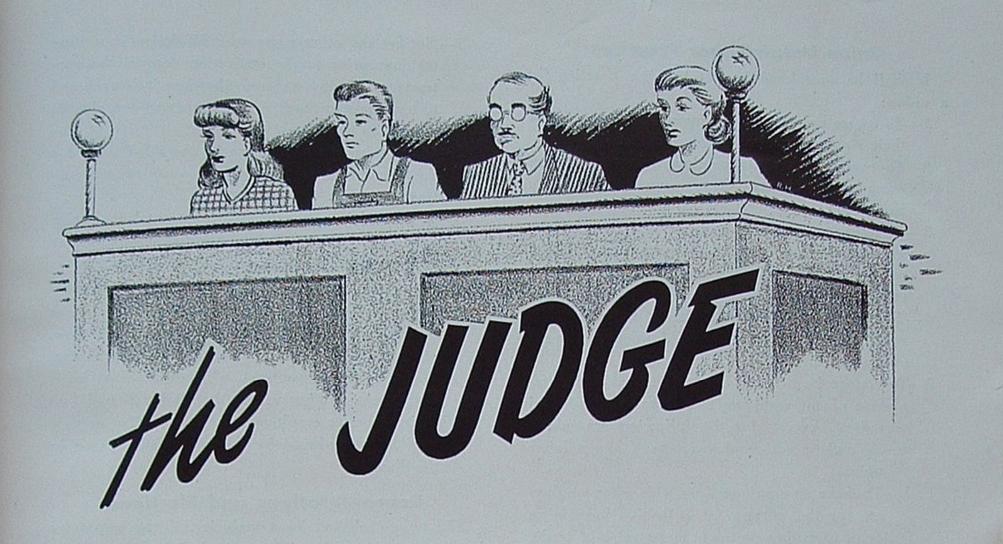
It is the policy of the United States to encourage collective bargaining as one means of eliminating obstacles to the free flow of commerce, and to ease or settle labor disputes when they do arise.

#### National Labor Relations Board

To make the Act effective, the National Labor Relations Board is reorganized and increased from 3 to 5 members, all to be appointed by the President and presented to the Senate for acceptance. Each shall receive a salary of \$12,000 a year; may be reappointed; and may not engage in other business or employment. The Board shall make an annual written report to Congress and the President, accounting in detail for its work, accomplishments, expenditures, etc.







Further, there is created a General Counsel of the Board, appointed by the President, with Senate acceptance, for a term of 4 years. The General Counsel is to exercise supervision over all attorneys employed and over the officers and employees in the regional offices. He is to have final authority, on behalf of the Board, concerning the prosecution of cases before the Board involving unfair labor practices.

**Rights of Employees** 

Employees are given the right to engage in concerted activities; that is, they may form or join labor organizations, or may bargain collectively through their chosen representatives. Or, if they so choose, employees may refrain from unionization—except where a valid union-shop contract exists, in which case they may be required only to pay reasonable initiation fees and dues.

**Employer Unfair Labor Practices** 

Under the Act, it shall be considered an unfair labor practice for an employer:

- 1—To interfere with, restrain, or coerce employees in the exercise of their bargaining rights guaranteed under this Act,
- 2—To dominate or interfere with the formation or administration of a labor union,
- 3—To discriminate in favor of or against an employee for the purpose of encouraging or discouraging the employee's membership in a union.

HOWEVER, an employer may enter into an agreement with a labor union to the effect that an employee, as a condition of employment, must become a member of that union within 30 days; PROVIDED the union has been duly certified by the Board as the chosen representative of an employee majority in the appropriate bargaining unit, and if, following the most recent election, the Board shall have certified that a majority of those eligible to vote have authorized the agreement. BUT, despite any such union-shop agreement, if union membership is not available to an employee for any reason other than non-payment of dues and initiation fees, neither the employer nor the union shall cause the employee to lose his job because of non-union status. (Example: a colored man, denied union membership because of a possible union race restriction, could not be denied his job in a union shop.)

Further, it shall be considered an unfair labor practice for an employer:

- 4—To discharge or otherwise discriminate against an employee because the latter has filed charges or given testimony under the Act.
- 5—To refuse to bargain collectively with the duly authorized representative of a majority of the employees in an appropriate bargaining unit.

#### **Union Unfair Labor Practices**

It shall be considered an unfair labor practice for a union:

- 1—To coerce or restrain employees in the exercise of their rights guaranteed under this Act.
- 2—To coerce or restrain employers in selection of company representatives to carry on collective bargaining.
- 3—To refuse to bargain collectively with an employer where the union is the bargaining representative of the employees in the appropriate bargaining unit.
- 4—To call a jurisdictional strike or boycott unless such strike or boycott is based upon an award of the Board.
- 5—To engage in, or to induce or encourage the employees of any employer to engage in strikes and secondary boycotts for the following reasons:
  - a—To make a self-employed person join a labor union.
  - b—To make an employer join with other employers for the purpose of collective bargaining or of executing contracts in restraint of trade.
  - c—To make an employer cease dealing with any other employer.
  - d—To compel an employer to recognize a union that has not been certified by the Board.

Further, it shall be considered an unfair labor practice for a union:

- 6—To demand discriminatory or excessive initiation fees and dues from employees under union-shop contracts.
- 7—To demand from an employer payment for services that are not performed, or are not to be performed. (This provision is apparently intended to forbid "featherbedding.")

#### Freedom of Speech

No statement of views, arguments, or opinions shall constitute an unfair labor practice if such statement contains no threat of reprisal or force, or promise of benefit. (This provision guaranteeing freedom of speech, is so phrased as to be applicable to employer or union utterances.)

#### **Collective Bargaining**

Both employer and union must bargain collectively, but this obligation does not compel either party to agree to a proposal or require the making of a concession. However, where a collective bargaining contract is in effect, covering employees in an industry affecting commerce, neither party shall terminate or modify such contract unless the party desiring such termination or modification:

- 1—Notifies the other party of such desire in writing 60 days prior to the expiration date of the contract; or 60 days prior to the time it is proposed to terminate or modify, if the contract contains no expiration date.
- 2—Offers to meet and confer with the other party for the purpose of negotiating a new or revised contract.
- 3—Notifies the appropriate Governmental mediation agencies within 30 days of the first notice, unless an agreement has been reached by the parties.
- 4—Continues in full force and effect, without resorting to strike or lockout, all terms and conditions of the existing contract for a period of 60 days after the first notice is given or until the expiration date of the contract, whichever occurs later. Employees striking within the 60-day period lose their status as employees until such time as they may be reemployed by the employer engaged in the dispute.

#### Representatives and Elections

The union selected by a majority of the employees in the appropriate bargaining unit shall be the exclusive representative of all employees in the unit. Any employee or group of employees, however, shall have the right at any time to present their grievances to their employer,

Determination of the appropriate bargaining unit is delegated to the Board, which is guided by the following rules:

- Professional employees may not be grouped with non-professionals without the consent of the professional employees.
- 2—Craftsmen need not be grouped with other employees merely because such grouping was followed in a previous Board determination.
- 3—Plant guards shall not be included in the same unit or union with other employees.
- 4—The extent to which employees in a plant or company are or are not unionized is not to be a determining factor in the selection of the appropriate bargaining unit.

Employees, unions, and employers may petition for the Board's investigation of union representation. If the Board finds that a question of representation exists, the Board shall direct an election by secret ballot among employees and shall certify the results. Employees on strike who are not entitled to reinstatement shall not be eligible to vote. In any election where none of several candidates on the ballot receives a majority, a runoff election shall be conducted between the two candidates receiving the highest number of votes. **Union Security Clauses** 

The following conditions must exist before the Board may entertain a union's petition for an election authorizing the union to execute an agreement requiring membership in such union as a condition of employment:

- 1—The union must be the chosen representative of a majority of employees in the unit it represents.
- 2—There must be no existing question of representation.
- 3—The union must present sufficient evidence that 30 per cent or more of the employees within the unit desire the execution of such an agreement by the petitioning union.
- 4—There must not have been within the preceding 12 months an election in which employees rescinded authority to execute such a union-security agreement.

The following conditions must exist before the Board may entertain a petition by employees to rescind authority to execute such an agreement:

- 1—The employees must be in a bargaining unit covered by a valid union-shop contract.
- 2-The petition must be authorized by 30 per cent or more of the employees in such bargaining unit.
- 3—There must not have been within the preceding 12 months a valid election.

#### Union Accounting and Allegiance

Before it is entitled to any rights under the Act, a union is required to file certain information with the Secretary of Labor and to keep such information up to date by annual reports. It must file with the Board affidavits in which the union officers disavow Communist affiliation or adherence to any organization advocating the "overthrow of the U. S. Government by force or by any illegal or unconstitutional methods." Also, before a union may petition for an investigation of representation, ask for a union security election or file an unfair labor practice charge, it must have filed with the Secretary of Labor:

- 1-Copies of its constitution and bylaws.
- 2-The names, titles and salaries of its officers.
- 3-The amounts it levies in initiation fees and dues.
- 4—A statement detailing how the union determines membership qualifications; elects its officers and stewards, calls meetings, levies assessments, imposes fines, makes its bargaining demands, ratifies contract terms, authorizes strikes, audits its books, participates in insurance and benefit plans, expels its undesirable members.
- 5—A report showing the union's receipts, disbursements, assets, and liabilities for the preceding year.
- 6-Copies of financial reports made to union members.

Stopping of Unfair Labor Practices

In the event it is charged that an unfair labor practice has been committed in violation of the Act, the case will proceed as follows:

- 1-A charge will be filed.
- 2—The charge will be investigated and a complaint issued if the charge appears to be well founded in fact.
- 3—A hearing will be held before the Board or its appropriate agent.
- 4—If the charge is supported by the evidence, an order will be issued.
- 5—Judicial enforcement of the order will be sought. To conduct its hearings and handle necessary investigations, the Board is given access to all relevant evidence. It is authorized to issue subpoenas requiring the attendance and testimony of witnesses or the production of evidence. Any person who gives self-incriminating information pursuant to a Board subpoena is protected against prosecution therefor.

Any person who shall willfully resist or interfere with any member of the Board or any of its agents in the performance of their duties shall be fined not more than \$5,000 or imprisoned not longer than one year, or both.

Effect on Right to Strike

The Act states that nothing contained therein, unless specifically provided for, shall impede or diminish the right to strike, or affect the limitations or qualifications on that right.

#### Federal Mediation and Conciliation Service

To accomplish the purposes of the Act an independent agency is created to be known as the Federal Mediation and Conciliation Service, whose Director is to be appointed by the President.

The Act provides that the Service proffer its aid in any dispute that threatens to cause a "substantial interruption of commerce." Its purpose will be to induce the parties to settle their dispute without resort to strike, lockout or other coercions. The failure of the Service to settle the dispute shall not be interpreted as a violation of the Act by either of the disputing parties.

Employers and unions are to make every reasonable effort to execute and maintain collective agreements; to try to settle by conference any dispute arising from such agreements; and to cooperate fully with the Service toward settling a dispute.

A national Labor-Management Panel, (including 6 union leaders and 6 management leaders) appointed by the President, is established. At the request of the Service, the Panel will serve to advise regarding the avoidance of industrial strife.

#### **National Emergencies**

Procedures for preventing or postponing strikes that might endanger national health or safety are as follows:

- 1—Where the strike or lockout affects industry on a national scale, the President may appoint a board of inquiry.
- 2—The board of inquiry shall inquire into the issues and make a written report of the facts.
- 3—The President must file a copy of this report with the Federal Mediation and Conciliation Service, and also make its contents available to the public.
- 4—The President may then direct the Attorney General to petition any District Court of the United States to forbid the strike or lockout. If the Court finds that the strike or lockout imperils national health or safety, the injunction shall be issued regardless of the Norris-LaGuardia Act to the contrary. Provision is made for review of such orders by the appropriate Circuit Court of Appeals and the Supreme Court.
- 5—After issuance of the injunction, the President must reconvene the board of inquiry. At the enl of 60 days the board must give the President a report (which must be made public) stating the current position of the parties, the efforts which have been made for settlement, and the employer's last offer. Meanwhile, the parties to the dispute are expected to confer with the Mediation and Conciliation Service, but need not accept any of its proposals for settlement.
- 6—Within the next 15 days the NLRB must take a secret ballot among employees of each employer involved in the dispute to determine whether the employees wish to accept the final offer of settlement.
- 7—Five days after the balloting, the NLRB must certify the results to the Attorney General.
- 8—The Attorney General must move to lift the injunction when the results of the balloting have been certified or the dispute has been settled, whichever occurs sooner. The Court must grant the motion.
- 9—When the injunction is lifted, the President must submit to Congress a complete report of the proceedings together with his recommendations.

#### Suits by and against Unions

The Act provides for suits by or against labor organizations where collective agreement has been violated. Recovery, however, is limited to money judgments against the organization and its assets, and not against the individual member or his assets.

## Payments to Representatives of Employees

The Act prohibits payment to or receipt by any employee representative of any money or other thing of value from an employer. Provision is made for a fine of not more than \$10,000 or imprisonment for not more than one year, or both, for any willful violation of this portion of the Act. Payments or receipts are allowable, however, for the following:

- 1—As compensation for services rendered as an employee.
- 2—As payment pursuant to a court judgment in satisfaction of an arbitration award, a claim, complaint, grievance, or dispute in the absence of fraud or duress.
- 3—Payment in connection with the sale or purchase of a commodity at the prevailing market price and in the regular course of business.
- 4—With respect to money deducted from the wages of employees in payment of membership dues in a labor organization upon written assignment from the employees affected.
- 5—With respect to payments to an employee trust fund. Provisions are also made to assure proper administration of such trust funds.

#### Boycotts and Other Unlawful Combinations

Certain strikes and boycotts are declared outlawed and provision is made that anyone suffering injury to his business or property by reason of such violation may recover damages in any appropriate District Court of the United States.

#### **Political Contributions**

The Act makes it unlawful for corporations and labor organizations to make any contribution or expenditure in connection with an election to any Federal office. A fine of not more than \$5,000 may be imposed for any such violation. Every officer of any labor union who consents to a contribution in violation of this section is subject to a fine of not more than \$1,000, imprisonment for not more than one year, or both.

#### Strikes by Government Employees

The Act makes it unlawful for any employee of the U. S. Government to participate in any strike. Furthermore, any such employee who strikes shall be discharged immediately and shall forfeit his civil service status, and shall not be eligible for reemployment by the United States for 3 years.

#### **Congressional Committee**

Provision is made for a joint congressional committee to investigate and study the entire field of labor-management relations with the aim of improving the understanding of management and labor problems.

#### NOTE

ON TOUR invites all Union Oil Company employees to present their views in favor of or in opposition to the Taft-Hartley Law, or any of its provisions. A sincere attempt will be made through the columns of this employee magazine to answer any questions pertaining to the Act; to present both sides of any controversial issues asked to be discussed; and to do so in an unprejudiced manner. Direct your questions and views to:

The Editor
ON TOUR
Union Oil Company
617 West Seventh Street
Los Angeles, California

## **Editorial**

## IS SEEING BELIEVING?

Though it may not be based on facts, this story has survived for centuries:

Two friendly knights were riding homeward together from a crusade. As they rode along conversing, one turned his glance to the side and observed a shield lying on the ground. A moment or so later he called the abandoned object to the attenton of his companion, who, turning and looking back, also observed the shield.

Later, when both men were recounting their adventures to neighbors and friends, one knight remarked:

"Has any man among you lost his shield? As we neared home we passed an abandoned one lying beside the trail. It was painted a bright red in color."

At this statement, the other knight interrupted:

"You are right, my friend, except for one particular. I too observed the shield; but it was white, not red, in color."

From these two conflicting statements a heated argument arose. Both knights stood their ground and the argument grew bitter. Even the listeners joined in and took sides with the knight each knew best or supposed to be the more honorable. And finally, the two groups fell to fighting. Blows were struck, many persons were wounded, and the two knights were killed—all over an abandoned shield that was red on one side and white on the other.

Today's crowded highways of life are practically fenced with two-colored issues and controversies. Our greatest danger lies in leaders who see only one side—their side—of a problem, and in followers who are satisfied with a cause based upon half-truths.

## THE COVER

Our cover picture this month is the camera achievement of "Lucky" Allen, Company photographer who carried and shot this same kind of weapon for Uncle Sam during World War II. "Lucky" spends many hours of spare time flying his own plane to the many garden spots of the West. Near Indio he recently landed to record this view of palms that yield some of the world's finest dates.

Although this picture has little connection with our subject material, it is illustrative of a serious western problem during this year of 1948.

The beautiful gardens of Coachella Valley grow where only a few years ago was a wasteland of sand dunes and thirsty desert cacti. The phenomenal change to orchards came about through man's ingenuity in tapping waters of the far-distant Colorado river and in drilling deep water wells. Water in fact is the precious substance that has made it possible to reclaim much of the West from its former desert aridness.

The past winter of 1947-1948 has been one of the driest recorded in modern times. With a rainfall one-half of normal and a far greater water need than ever before, California in particular faces the serious consequences of a drought. Unless every possible drop of water is conserved, the damage to crops and industries and individuals may be irreparable.

As Union Oilers, let us do our important part on the job and at home to see that no water is used needlessly or wasted. We can conserve indirectly also by carefully budgeting consumption of electricity, much of which is water-generated.

The water you can save at work or in your home may save a ton or more of precious fruits and vegetables.

"Rubber gloves are fine for some purposes, but not for gripping a wrench," explains "Scotty" Shepherd, pipe-fitter foreman, to W. O. Johnson, right, and K. L. Anderson, left, of the Pipe Shop.



Safety precautions and practices are very much in evidence here as Albin Romansky, left, and Al Maris, sheet metal journeymen in the Tin Shop, spot-weld a new safety guard for a power saw.

## SOON THEY'LL MAKE A MILLION!

If a man of Methusaleh's longevity claimed to have worked 345 years without a disabling accident, who would believe him?

Yet, a no less astounding record has just been credited to Los Angeles Refinery employees. Between last November 11 and February 18, 1948, these 1,200 men and women amassed a Union Oil safety record of 717,672 man-hours without a lost-time accident.

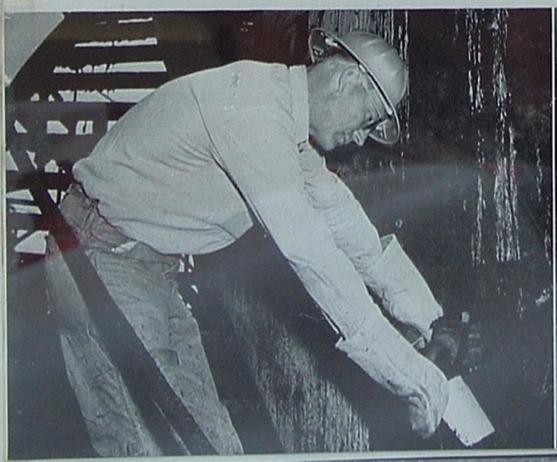
A comparison of this achievement with safety records of other companies is difficult because of the varying definitions of a lost-time accident. Union defines such an accident as "one of such severity that a man cannot return to a regularly established job the day following date of injury." And it is left to the attending doctor to decide whether the injured man is able to return. Such a strict definition is not always used where better safety records have been made. However, 717.672 manhours without a disabling injury is a splendid accomplishment anywhere.

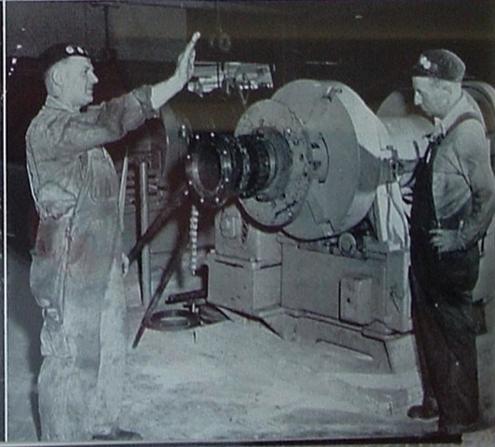
This is only one of several outstanding safety achievements at this refinery during the past year. They had just previously established a 612.494 man-hour record. Their accident frequency rate for 1947 was down to 5.8, one of the best in the industry.

The remarkable improvement over supposedly good results of the past is credited to a new system of delegating safety responsibility to individual departments. A shop is given all of the safety instruction and aid it asks or requires; but the accident-prevention program itself is now the shop's "baby." Each unit is given the free enterprise to spoil the child or raise it to a robust manhood.

Still not satisfied, the Los Angeles Refinery is already on its way to the million man-hour mark.

Below, left: Cliff R. Dixon, blender at asphalt loading rack, uses asbestos mittens in drawing a sample at 450 degrees F. Below: Tommy Penaluna warns other workmen away from danger zone as George Shirey applies pipe-machine pressure to chain tongs.







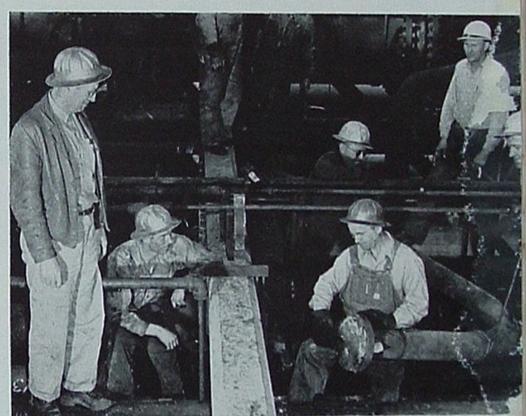
Left to right: Stillman J. E. McGee and Jerry Kincade explain to G. E. Baldwin why and how a rubber hood must be worn by men at Unit 110 who handle acid and caustic. Note wool clothing also.



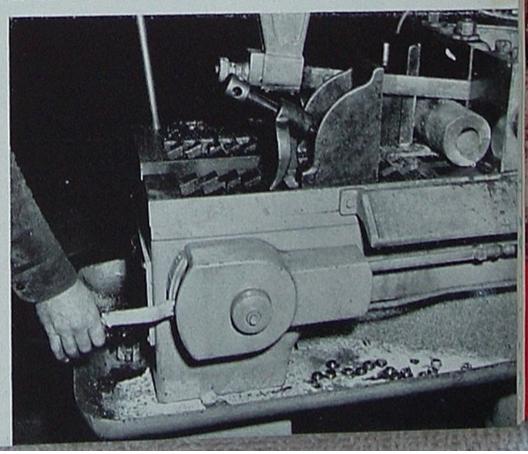
The modern power-hammer has taken many hazards out of blacksmithing. But Thomas Nicholls, above, knows that vigilance too has kept his department free from disabling accidents since late 1946.



Above: Stillman Sidney Horton takes no chances while drawing sulphuric acid samples from a primary settler. His face shield, hard hat and rubber gloves are insurance against burns and blindness. Right: It was this type of saw blade in this machine doing this kind of work that ended the story. The saw blade broke; an employee's eye was cut; and not a Refinery soul was made happy thereby.



Special safety recognition was earned by riggers and pipe-fitters for their part in setting the Refinery record. Such repair jobs as this one are laden with possible slips, falls, strains, blows.



#### **GASOLINE ALLEY -- THE SHOW DOWN**









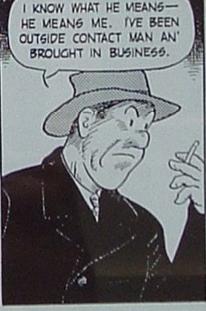










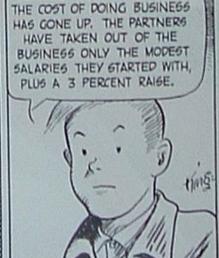








WITH MORE BUSINESS GOING



YOU HAVE ALL HAD RAISES, AND

IN SPITE OF THIS, WE HAVE
JUST ABOUT BROKEN EVEN. TO
PAY INTEREST ON THE LOANS
AND MAKE THE COMPANY
PROSPER, WE'VE ALL GOT TO
PITCH IN AND DO AN EVEN
BETTER JOB THAN IN 1947.

1 HOPE WE CAN:



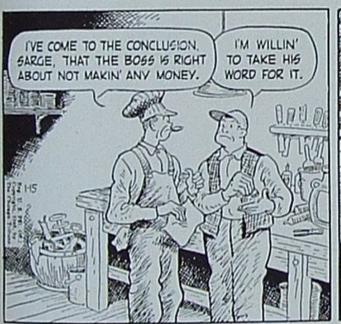
















## The "Comic" Truth

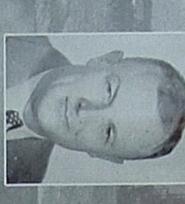
The comic strip "Gasoline Alley" by cartoonist Frank King has remained for many years an institution in thousands of American homes. Catering seldom to the ludicrous side of life, it has achieved great popularity largely through weaving matter-of-fact happenings into the lives of typical American characters. To many of us the nationally-known Wallets are neighbors whose joys and problems are close to our own.

In a recent series, Frank King told an American "profits" story that is applicable not only to "Wallet & Bobble" but to many business organizations in this country, large and small. It is the story of profits that swell magnificently on paper, but shrink alarmingly in fact. ON TOUR has obtained permission from THE CHIGAGO TRIBUNE to reprint "The Show Down" for purposes of self-enlightenment as well as entertainment.

THE GULF AND Sam Grinsfelder Directed by WEST TEXAS DIVISIONS

Gulf Division

West Texas Division



Manager of Operations DUDLEY TOWER



LON D. CARTWRIGHT, JR. Division Geologist

Division Landman J. E. SUTTLES



District Superintendent ROBERT J. MEERS



Manager of Operations A. P. LOSKAMP



CHARLES L SHERWOOD Division Landman Division ( SAM GIESEY Geologist



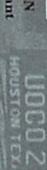
JAMES S. McNULTY Division Engineer



Division Accountant R. E. DALBECK



Division Accountant C. C. SHAMBLEN



## ... Meet the Management

**DUDLEY TOWER** 

Manager of Operations—Gulf Division

. . . Born March 29, 1912, in Los Angeles. . . . Educated at Los Angeles High School, University of California, Los Angeles and Berkeley campuses. . . . Worked for two years with the Natomas Gold Dredging Company. . . . Joined Union Oil Company in May, 1935, as a pipe line roustabout at Long Beach. During the following two years became a pumper at Dominguez, a drilling crew roustabout in the Southern Division, and an apprentice engineer at Santa Fe Springs. In 1938 he was appointed assistant engineer at Bakersfield; in 1940, district engineer at Houston; and in 1943, district superintendent at Houston; was made manager of operations, Gulf Division, in 1947.

J. E. SUTTLES

Division Land Man-Gulf Division

. . . Born April 9, 1906. in Houston, Texas. . . . Educated at Central High School and Rice Institute in Houston. . . . Worked as construction superintendent for Houston Ready-Cut House Company; as a building contractor; and as an independent producer and lease broker. . . . Joined Union Oil Company on January 1, 1940, at Houston as a landman; later was appointed assistant secretary and division land man; was made division land man, Gulf Division, in 1947. . . . He is president of Orange Land Company; secretary of Houston Landman's Association; council executive board member and Southwest District Chairman of Boy Scouts of America.

> LON D. CARTWRIGHT, JR. Division Geologist-Gulf Division

. . . Born November 28, 1902, in Terrell, Texas. . . . Educated at New Mexico Military Institute, University of Texas, and Stanford University. . . . Worked as a geologist along the Gulf Coast and in West Texas for Skelly Oil Company, Superior Oil Company and The California Company. . . . Joined Union Oil Company in August, 1939, as Gulf Coast division geologist and was later appointed chief geologist for this area with headquarters in Houston; in 1947 became division geologist, Gulf Division. . . . He is a member of the Geological Society of America, the American Association of Petroleum Geologists, and the American Institute of Mining Engineers.

R. J. MEERS

District Superintendent—Gulf Division

. . . Born December 31, 1913, in Pampa, Texas. . . . Educated at Pampa High School, Amarillo Junior College, University of Texas. . . . Worked three years as a production clerk for Cities Service Oil Company, and two years as maintenance engineer for Magnolia Pipe Line Company. . . . Joined Union Oil Company at Houston as apprentice engineer June 9, 1941; was appointed assistant engineer in 1942, associate engineer in 1943, petroleum engineer in 1944, senior petroleum engineer in 1945, division engineer in 1946; was made district superintendent, Gulf Division, in 1947. . . . He is a member of the American Petroleum Institute and of the American Institute of Mining Engineers.

R. E. DALBECK

Division Accountant-Gulf Division

. . . Born January 12, 1913 in Los Angeles. . . . Educated at Lincoln and Eagle Rock High Schools, University of Southern California and Texas A and M. . . . Joined Union Oil Company April 16, 1931 in the Photostat Department; advanced through the Comptrollers' Department in various clerical assignments and was made Division Accountant, Gulf Division, in 1947. . . . He is a member of the National Association of Cost Accountants and of the API Financial and Accounting Committee.

A. P. LOSKAMP

Manager of Operations—West Texas Division

. . . Born April 6, 1900, in Brooklyn, New York. . . . Educated at South Side High School, Rockville Center, N. Y., Syracuse University and Stanford University. . . . Served as a second lieutenant in World War I. . . . Worked as a geologist for the Associated Oil Company, Union Oil Company and Barnsdall Oil Company. . . . Joined Union Oil Company December 15, 1940. On January 1, 1941, opened the Company's West Texas Exploration Office at Midland. Texas: in 1947 became manager of operations, West Texas Division.

CHARLES L. SHERWOOD

Division Land Man-West Texas Division . . . Born August 5, 1904 in Nashville, Illinois. . . . Educated at Tulsa and Oklahoma City High Schools and University of Illinois. . . . Worked for Mid-Continent Petroleum Corporation, George F. Getty, Inc. Land Department, and Tide Water Associated Oil Company. Joined Union Oil Company in 1941 as district land man,

Midland, Texas; was made division land man, West Texas Division, in 1947.

S. C. GIESEY

Division Geologist—West Texas Division

. . . Born August 2, 1908 in Eagle Pass, Texas. . . . Educated at Sherman High School, Sherman, Texas, Texas A. & M., and University of Wisconsin. . . . Worked for American Metal Company as a mining engineer and for Stanolind Oil and Gas Company as a geologist .. . . . Joined Union Oil Company March 1, 1941 as a geologist in Midland, Texas; was made senior geologist in 1941 and division geologist, West Texas Division, in 1947. . . . Is Vice President of the West Texas Geological Society and a member of the American Association of Petroleum Geologists.

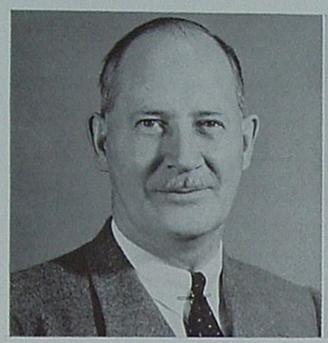
J. S. McNULTY

Division Engineer—West Texas Division

. . . Born July 15, 1907 in Pine Bluff, Arkansas. . . . Educated at Woodrow Wilson High School, Pine Bluff, and University of Arkansas; later studied at University of Southern California in Los Angeles. . . . Worked for the Texas Company. . . . Joined Union Oil Company in 1943 as associate engineer in Vinton, Louisiana. Subsequently was made district engineer in March, 1945, and division engineer, West Texas Division, in October (Continued on Page 19) of 1947.



### Employees' Benefit Plan Names New Board Members, Announces Financial Status





SUCCESSFUL CANDIDATES in the recent EBP election were A. E. Morrison, left, and K. C. Vaughn, right. They will serve three-year terms on the Plan's Board of Administrators, succeeding Eldon Allen and E. C. Rogers. Mr. Morrison has been with the Company for 26 years and now serves in Head Office as insurance representative. Mr. Vaughn started as a roustabout at Santa Fe Springs in 1933 and is now Southern Division production superintendent.

The high cost of medical care in 1947 gave the Employees' Benefit Plan one of its heaviest financial burdens in 32 years of operation.

The Plan handled 26,937 cases at a cost of \$219,683, not including "overhead" absorbed by the Company. While the total number of cases handled was 2 per cent less than in 1946, medical costs increased 12½ per cent.

Among the major problems to contend with were cost increases of 38 percent in drugs, 28 per cent in laboratory and X-ray services, and 19 per cent in hospitalization. Also, an increase from \$500 to \$750 in the Plan's maximum allowance for any one illness or condition added somewhat to expenses after September 1, 1947.

Member contributions for the year were \$194,554, an increase of 5½ per cent over 1946, due to the September advance from \$2 to \$3 in monthly contribution per employee.

The EBP administrators explain that a \$22,000 dip into reserves for the year was due to the long delayed increase in employee contributions. During the last few months of the year following this increase, it was observed that EBP resources were moving again toward a safe and solvent future. By January 1, 1948 reserves of \$104,439, representing over \$15.00 per employee member, had been accumulated and were considered by the Board to be adequate.

EBP is attempting to provide us with the best in medical, surgical and hospital care. Its aims are to constantly improve its services, maintain a highly qualified medical panel, and preserve a progressive attitude.

During 1947 your monthly contribution of \$3.00 was spent as follows:

| lows;                           |        |
|---------------------------------|--------|
| Medical                         | \$1.32 |
| Doctors' and nurses salaries    |        |
| Hospitalization                 | 58     |
| Anesthetics                     |        |
| Laboratory services             |        |
| X-ray services                  | 34     |
| Drugs                           |        |
| Ambulance services              | 02     |
| Bandages, dressings, supplies . | 03     |
|                                 | \$3.00 |

#### A. C. RUBEL TELLS CONGRESS OF SHALE POSSIBILITIES

Asked to present his recommendations to a House subcommittee in Washington, D. C., during early March, Vice President A. C. Rubel discussed the vast oil-shale deposits in Colorado and suggested prompt Government action in producing synthetic fuels from these sources.

A bill is now under consideration by this committee authorizing the Reconstruction Finance Corporation to build three plants for the commercial production of fuels from shale and coal. Mr. Rubel urged that one of the plants, with a daily fuel production capacity of 25,000 barrels, be assigned to the Colorado project. The shales in this area are among the richest and most extensive known to exist. The Bureau of Mines estimates that 200 million barrels of oil are available from one area alone.

A Government subsidy is necessary for these developments because shale oils cannot yet compete economically with crude oils. However, it is believed that shale oils will be able to compete eventually.

In justifying the Colorado plant, Mr. Rubel said: "We are facing a condition where we may be unable to provide our petroleum needs. We are facing a definite and constant decline in the availability of our crude oil and a constantly increasing demand."

Next month ON TOUR will tell of some important successes Union Oil engineers have made in developing an economical method of extracting oil from the Colorado shales.

#### OLE BERG, JR., RESIGNS

The resignation of Ole Berg, Jr. from the Company on February 24 is regarded by management as a keen loss. He has been with Union Oil for 27 years, rising from office boy to vice president.

On March 29, British American Oil Co., Ltd., announced the election of Mr. Berg as vice president and assistant to the president.

## MANUFACTURING

#### L. A. Refinery

Gale Peterson, Editor

#### CLIFF DONOHO'S AMPHIBIAN

During the depression-ridden 'thirties Cliff Donoho was among several laboratory men at Los Angeles Refinery who found an outlet for their aviation enthusiasm in the hobby of building model airplanes.



Family life, golf, and other interests have somewhat depleted the ranks of the modelers; but Cliff is still building 'em bigger and better than ever.

The latest Donoho job, shown in the accompanying picture, is an exact duplicate of the Grumman "Seabee." It is being built on a reduction scale of ½ inch to the foot. With a wingspan of 6 feet and powered by a 1/5 HP gasoline motor, the plane is expected to fly "high and handsome" and will settle down to a safe landing either on land or water.

In contrast to the usual model, which is controlled from the ground by the use of two long cables, this amphibian will be the "free-flight" type. Theoretically, its automatic controls can be adjusted to keep the plan on an out-going course until its gas supply is exhausted; then it reverses course and returns toward the starting point—Cliff hopes.

The reason a model enthusiast rolls on the ground or snatches himself bald when one of these flying "toys" cracks up can be readily appreciated. This amphibian will cost Cliff 2,500 man-hours of labor and a \$50 withdrawal from his savings

account. With no prospect of passenger or freight revenue, he can expect payment only in the feeling of triumph as his creation takes off from the strip like a summer breeze.

He has seen his models nose-dive, spin-in, and even catch fire in midair. If anything like that happens to this one, Cliff may also take up golf.

#### PROSPECTIVE COWPUNCHER

For 30 years or more Alex Matheson has indulged in an occasional day-dream of riding the range in



northern California. His dream began to materialize on April 1 when he traded his Tin Shop tools for "shooting irons" and headed for the tall timber. He has ambitions of thinning out the fish populations and game herds, while making a fortune in cattle if it doesn't interfere with pleasure.

#### FOREMEN ELECT NEW OFFICERS

The Los Angeles Refinery Foreman's Association has elected new officers for the coming year. Wes Dana, who has done a fine job as president, turned the gavel over to Ray Fulp, the former vice president. Lloyd Toland will now occupy the vice president's chair, while Paul Gooder takes over the secretarytreasurer duties so ably handled by Nate King last year.

#### THEY SKI-IDED

Ray Fleck has discovered why those car-top ski racks are equipped with hold-down straps in addition to rubber suction cups. Enroute to the snow with two friends in his car and with their three pairs of skis anchored to their car top only by suction cups, he rounded a curve too briskly and heard something slip off. Unfortunately a whole stream of cars was following him up the mountain in anticipation of great fun. By the time Ray got out to recover his new skis, no less than three cars had given the outfit a smashing once-over.

#### Oleum Refinery Bud Fitzgerald, Editor

JOHN L. BISPO RETIRES

Oleum has bidden a reluctant farewell to John L. Bispo, Compound Department employee whose 26 years of service were concluded by his retirement on April 1.



John joined the Company in 1922, after a number of years with the San Francisco Rug Works and the Hercules Powder Company in Pinole. He is an active lodge member in Pinole, where he is currently dividing most of his spare time between constructing a new lodge building and making a home vegetable garden earn its upkeep.

## MARKETING

Northwest Territory Gudrun Larsen, Editor



KEN CRIST, above, of Seattle may not wind up the season as our high-average bowler. But Ken gets hot at least once each year and breaks the hearts of most high-game competitors. His 241 of last September 9 is still tops in our Union Oil League for this season.

#### FABRICATOR McGEE

Up Kendall, Oregon way we take pride in the spare-time accomplishments of J. R. McGee, marketing station clerk and plant-man. "Mac" isn't quite skillful enough to make a tree, but he can certainly make a lot of more useful things out of one!

The McGee hobby shop boasts a



joiner, jig saw, band sander, belt sander, drill press, grinder, band saw, compressor, and a home-made telephone connecting with the grocery department. You'll nearly always find "Mac" in one place or t'other.

Such industry over a period of more than 15 years can hardly escape the eye in Kendall. Many a theatre ad and company "shingle" is a product of the McGee touch. His kitchen cabinets are discussed in awed whispers among friends and neighbors. Old pieces of furniture with creaking joints look like new and feel even better after an application of the McGee therapy.

SEATTLE'S Town and Country Club was the scene of a recent dinner-dance at which the Sales Executive Club honored its retiring president Con J. Deasy. Con, the Union Oil resident manager at Seattle, is shown above with Mrs. Deasy and a desk-set memento of appreciation from business associates.

#### P-S-S-T!

It's a bit late to tell of her marriage to Paul Lory in November. Nor dare we hint how long she has been with the Company. But we'll match our Genevieve Lory, formerly Harbaugh, with any ice-skating PBX operator on the Coast. Her new husband shuffles a mean set of silver blades also!





Genevieve Lory

### Southwest Territory Betty Hart, Editor

#### **OPPORTUNIST?**

At a glance it might appear that Dumont Kimmell, Pasadena district sales manager, has taken to heart the philosophy "If you want a job done well, do it yourself."

It appears that "Duggie," as we call him, was placed on the Pasadena Cooperative Club's nominating committee with instructions to pick the best possible men for the club's new officers. As a result, the organization now has an outstanding new chief executive, President Kimmell.

However, the president hastens to explain, there are some other nominating factors that deserve elaboration. The committee was made up of several club members, all except one of whom felt that Kimmell was the man. They conspired accordingly and with perfect judgment, in our considered opinion!

-(Thanks to Bill Germaine)

#### ARABIAN NIGHTMARE

Flying over the hump east of Los Angeles on February 15, our photographer "Lucky" Allen blinked just twice and promptly landed his flying carpet.

The town of Indio had blossomed overnight into something resembling Mecca. "76" signs were glowing in Arabic; camels vied with Cadillacs for parking space; and the town ap-



Above, Mr. and Mrs. P. D. Kilday.

When questioned about names for picture identification purposes, "Lucky" Allen obliged us with: "Left, the camel's name is Horace. Below, 'smatter, can't cha read shorthand?"



peared to be a harem of beautiful women.

"Lucky" did a land-office job with his camera, but none of the girls would venture out for a ride on his magic carpet—a circumstance that finally needled him into investigating.

Drat the luck! 'none other than Dale Kilday, resident manager at Coachella, had been appointed chaperon of the visiting Date Festival belles. And with concealed attentiveness, Mrs. Kilday was keeping Dale away from those awful camels!

#### SAFETY DRIVE AND DRIVERS

To those of us accustomed to receiving only windshield-wiper correspondence from the police department, this story should be refreshing.

The San Diego police department, under Chief A. E. Jansen, has adopted the commendable practice of acknowledging merit and careful driving as well as tagging offenders.

Seen (below) receiving awards from Chief Jansen are (L-R) Dave Fosse, L. D. Magnes, and Wally Chandler, all three Union Oilers of the San Diego Marketing Station. They drove throughout 1947 without accidents.



## Central Territory

Evertt Smith, Editor

#### AN EARNED REST

On February 26, 1916, Charles O. Willetts, though still a young man of 33, brought 19 years of business experience to his new job with Union Oil Company. At the age of 14 he had gone to work for Western Union



Charles O. Willetts

in Denver. Later in San Francisco a 9 year experience as railway clerk and dispatcher was followed by his 3 years assignment as traffic manager for John Deere Plow Company.

Charley's 32 years of Union Oil experience have been limited exclusively to the Traffic Department in San Francisco. Here at an export desk he has built up an acquaintance and experience that have made his services invaluable. His retirement on April 1 brought a mixture of feelings to everyone who knew him. He had more than earned a long rest; but working days would never be quite the same again without Charley.

For the past 17 years preparations have been underway near Santa Rosa for this retirement day. On a fiveacre plot of farm land Charley has spent his weekends, holidays and vacations building a pleasant country home. Doing all of the work himself, he has built or accumulated every ingredient, including health, of a long and joyful retirement.

#### VERSATILE

Aryle Armstrong, Oakland driver, declares this new package truck will do everything except straighten out its own dented fenders.

As equipped in the picture below, it will handle a load of 21 iron barrels. Or it will accommodate demountable tanks and serve as a tank truck. Its power pump and 150 feet of hose make it ideal for pumping fuel and lubricating oils aboard ships. A hydraulic tail-gate lifts barrels up and down with the ease of an elevator.



#### HELLO-HA!

Ina Buell, after a look-see at the islands of Maui and Hawaii, expresses a theory that the romantic greeting "aloha" is nothing more than the old Yankee greeting "Hello" pronounced in pig-Latin. ('ello-ha) Interesting, eh?



Even if we have quoted Ina incorrectly, she does like her Honolulu Sales assignment to the extent of combing the beach once weekly for bottled messages from shipwrecked pals States-side.



Mike Collett ..... Editor

Margaret Clark ..... Assistant Editor

Photo Credits: Rod Daley Lucky Allen Charley Lippens

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.



## SERVICE BIRTHDAY AWARDS

Thirty-Five Years

Anderson, Geo. H., H. O. Comptroller's Barton, Albert, Oleum Refy. Mfg. Clark, Wreford, Northwest Terr.

Thirty Years

Brown, Alvord E., No. Div. Pipe Line

**Twenty-Five Years** 

Arbogast, Mary M., H. O. Comptroller's Buchanan, James G., Oleum Refy. Mfg. Domingues, Colbert A., Coast Div. Field Heathman, Walter W., Washington Exp. Hoehman, Ed., So. Div. Pipe Line Morin, Glen I., Oleum Refy. Purch. Rodrigues, Louis, Oleum Refy. Mfg. Wickham, Tom, No. Div. Pipe Line

**Twenty Years** 

Archibald, Fred S., Central Terr.

#### MARCH, 1948

Arnold, Wm. G., No. Div. Pipe Line
Blakesley, Hollis V., L. A. Refy, Mfg.
Cantwell, Claude M., No. Div. Pipe Line
Colley, John P., Valley Div. Field
Cole, Evelyn R., H. O. Marine
Deathe, Geo. McK., Oleum Refy. Mfg.
Everley, Earl W., L. A. Refy. Mfg.
Felts, Mildred, Northwest Terr.
Fuller, Walter G., L. A. Refy. Mfg.
McQuaid, Bernard, No. Div. Pipe Line
Silva, Ernest R., Oleum Refy. Mfg.
Wakefield, Harry G., Southwest Terr.

Fifteen Years

Bryant, James E., Gulf Div. Field Decker, Cleda A., H. O. Comptroller's Gooch, Walter D., Oleum Refy. Mfg. McMahan, Harry D., So. Div. Field Martin, Chas. S., Paraguay Div. Waters, Sam A., Central Terr. Wehnau, Elmer, So. Div. Auto.

#### Ten Years

Brandt, Harry, M., L. A. Refy. Mfg. Crell, Pauline, H. O. Marine Ellis, James R., Cut Bank, Mont. Havland, Wm. I., Northwest Terr. Lange, Albert H., Research-Wilmington Lansman, Francis R., Oleum Refy. Mfg. McBride, John P., Northwest Terr. McCleary, Geo. H., Marine-Wilmington Miller, Fred R., Central Terr. Juranitz, Margaret E., Southwest Terr. Vencill, Chas. H., Central Terr. Whitaker, Harry W., Southwest Terr.

#### IN MEMORIAM

George Weir
Jay H. Inman
John W. Riegle
Robert H. Hornridge
James B. Whitledge
Ivie Louis Kelley
William H. Borden
Hester M. Durham
Jesse M. Hughes
Raymond J. Holt
William B. Giltwedt
William E. Frink

Pipe Line
Oleum Refinery
Cut Bank, Montana
Head Office Comptrollers'
Field, Valley
Santa Fe Springs
Santa Fe Springs
Los Angeles Refinery
Field, Coast
Dominguez
Southern Field
Northwest Territory



PASSES SUDDENLY

The death of Robert H. Hornidge (above) during the early morning of February 25 came as a great shock to members of the Comptrollers Department. He had spent all of the preceding day at his desk and apparently in good health. "Roy" started with the Company in 1915, rose to supervisor of Disbursements & Payrolls.



BURNHAM PLAYOFF IN APRIL

The Company's annual bowling classic, the BURNHAM TROPHY PLAYOFF, is scheduled for April. Watch the bulletin boards for exact dates and playoff data. Again in 1948 the team to beat is Los Angeles Refinery No. 1, whose members (above) have held the Union Oil championship two years in succession and six times since 1939. Their 1942 team score of 3176 is also the all-time high score for this event.

### MEET THE MANAGEMENT, Cont.

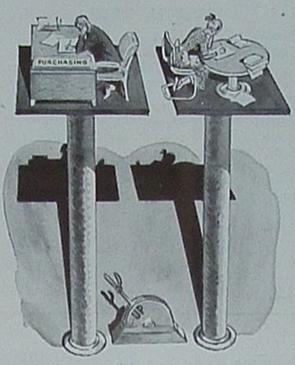
CLIFFORD C. SHAMBLEN
Division Accountant—West Texas Division

Educated at Colton Union High School, Colton, California and University of California at Los Angeles. Joined Union Oil Company in October, 1935 as a payroll clerk at Santa Fe Springs; was head payroll clerk at Bakersfield before becoming chief clerk in Houston, Texas, in 1942; later was made assistant division accountant in Houston and became division accountant, West Texas Division, in 1947.

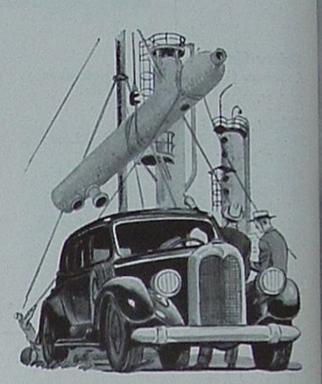
## Are present "high profits" justified?



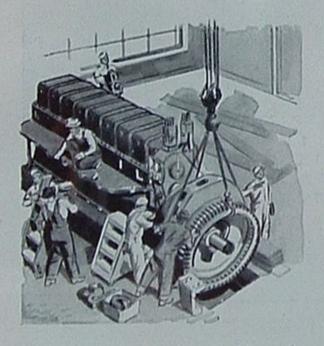
1. During 1947 Union Oil Company made the highest net profit in its history—\$18,910,000. That's what the books show. And according to accepted accounting practices that's what happened. But curiously enough, Union Oil actually spent \$675,000 more during 1947 than it took in.



2. The facts behind those figures prove rather dramatically that inflation affects a corporation just as much as it does the average housewife. Here's why. According to accepted accounting practices a corporation depreciates its equipment and charges off its inventories on the basis of what they cost when they were acquired.



3. For example, if a piece of refining equipment cost us \$1,000,000 in 1937 and the estimated life of that equipment was 10 years, we set aside \$100,000 a year for 10 years. Then theoretically the money would be available to replace that equipment in 1947. If the crude oil in a given well cost us \$1 per barrel to acquire in 1937 and we were able to sell it for \$2 in 1947, then theoretically we made \$1 profit on each barrel of that oil we sold last year.



4. If 1947 costs and prices had been the same as 1937's—or if we were selling out the business—this method of accounting would give us a true picture of our "profits." But neither of these is the case. That piece of refining equipment had to be replaced at 1947 prices. And since we plan to stay in business that barrel of 1937 crude had to be replaced with a barrel of crude we found last year at 1947 costs.

#### 1947

#### COST OF STAYING IN BUSINESS

| EXPLORATION FOR OIL    | \$10,337,000 |
|------------------------|--------------|
| RESEARCH               | 1,761,000    |
| DRILLING & DEVELOPMENT |              |
| OF PROVED FIELDS       | 16,354,000   |
| REPLACEMENT OF OLD     |              |
| EQUIPMENT & ADDITION   |              |
| OF NEW                 | 12,746,000   |
| INTEREST               | 1,154,000    |
| DIVIDENDS TO STOCK-    |              |
| HOLDER-OWNERS          | 6,537,000    |
|                        | £48 889 000  |

5. Everyone knows that you can't buy things today for what you did before the war. Refining equipment that cost \$400 per barrel of daily capacity pre-war cost \$1,000 per barrel in 1947. Our cost of drilling for oil in 1947 was 134 times what it was pre-war. And the cost of everything we bought from pipe lines to service stations was up proportionately.

#### COST OF DOING BUSINESS

| WAGES & SALAKIES         |               |
|--------------------------|---------------|
| TRANSPORTATION           | . 12,845,000  |
| TAXES                    |               |
| RENT, POWER, SUPPLIES, E |               |
|                          | \$123,574,000 |
| WE PAID OUT              | \$172,463,000 |
| WE TOOK IN               |               |
| BOX SCORE FOR 1947       | \$675,000     |

RAW MATERIALS . . . . . . \$49,793,000

6. Since those higher costs of "staying in business" couldn't be included in the sums we'd set aside for depreciation and reserves, we had to dip into our "profits." So when we got all through, not only did our shareholders receive an inadequate return—only 3% of the year's revenue—but our so-called "high profits" weren't high enough by \$675,000 to keep Union Oil Company a going concern.

## UNION OIL COMPANY

OF CALIFORNIA

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This series, sponsored by the people of Union Oil Company, is dedicated to a discussion of how and why American business functions. We hope you'll feel free to send in any suggestions or criticisms you have to offer. Write: The President, Union Oil Company, Union Oil Building, Los Angeles 14, California.