

The Spudding-in of

MORNING GUN NO. 1

March 1955

On Tour

WITH UNION OIL COMPANY OF CALIFORNIA



On Tour



Volume 17, Number 3
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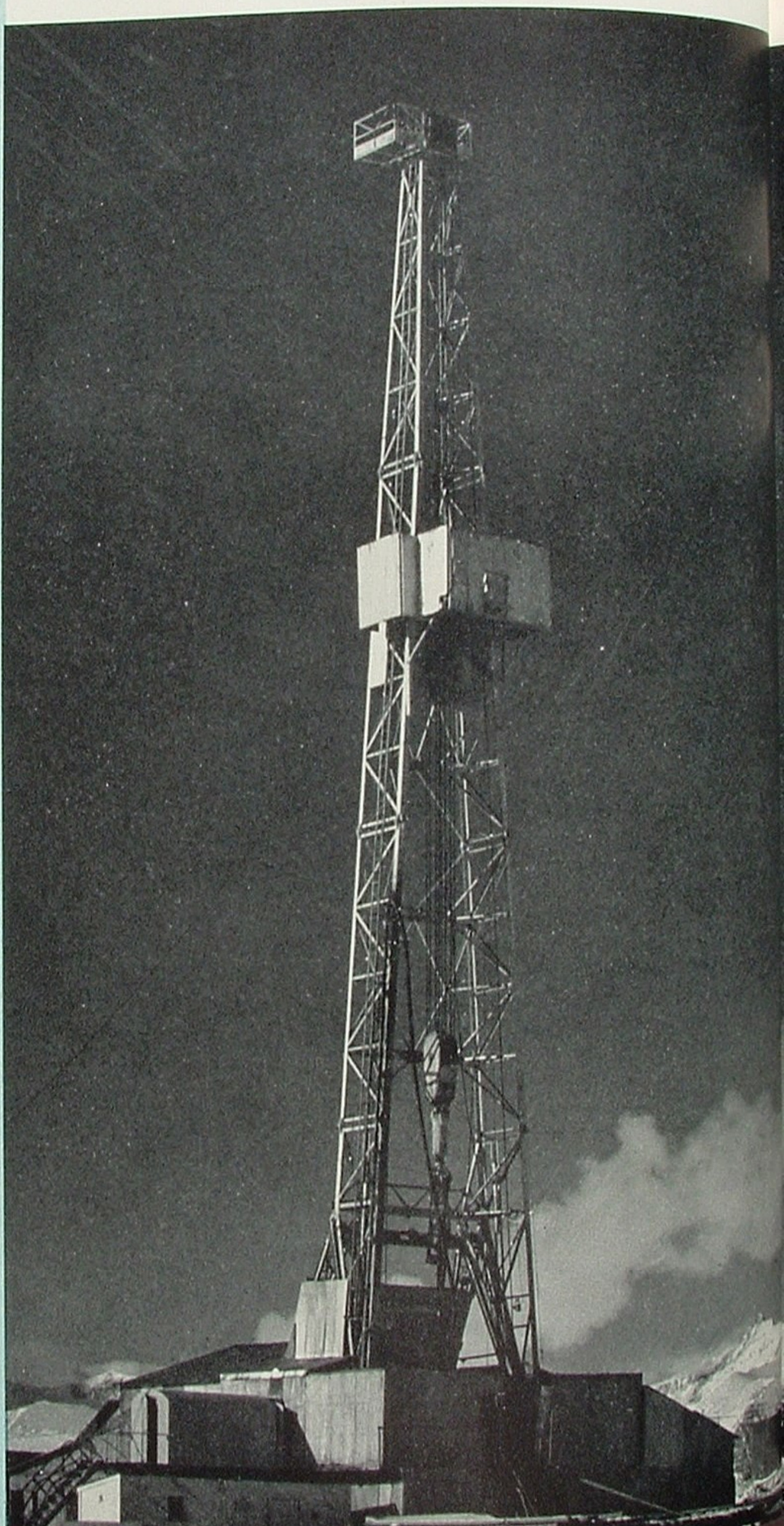
In This Issue

- page 2
MORNING GUN NO. 1
- page 6
OUR PHILADELPHIA TERMINAL
- page 8
ARE WE CARRYING
TOO MANY SPARES?
- page 10
OF PAYROLL DEDUCTIONS
AND BENEFITS
- page 12
CUBA DEMANDS THE FINEST
- page 14
INDUSTRIAL SUMMARY
- page 16
LETTER
- page 18
PORTABLE PRODUCTS
PIPELINE
- page 19
LUNCH BUCKET BALLADS
- page 20
UNION OILERS
- page 23
SERVICE BIRTHDAY AWARDS
RETIREMENTS—IN MEMORIAM
- page 24
HENRY McNEIL

"ON TOUR", pronounced "on tower," is an oil field expression meaning "on duty." Our magazine by that title is published monthly by Union Oil Company of California for the purposes (1) of keeping Union Oil people informed regarding their Company's operations and progress, and (2) of recognizing and encouraging the fine accomplishments of employee groups and individuals. We invite communications from our employee readers, whose thoughts, interests and opinions are carefully weighed in determining editorial policy. Address correspondence to ON TOUR, Union Oil Building, 617 West Seventh Street, Los Angeles 17, Calif.

T. D. Collett, Editor
R. C. Hagen, Assistant Editor

Chief Big Mountain Draws a Bead on B



Blackfeet Indian Prospect With

MORNING GUN NO. 1



Locale of Montana's January 17th powwow was the wintry Blackfeet Indian Reservation near Glacier National Park, where Morning Gun No. 1 (left and ON COVER), a Union Oil wildcat well, was spudded-in by nearly 1,000 braves.

SELDOM if ever in the history of Montana's Blackfeet Nation has there been a more important or colorful *powwow* than that of January 17, 1955. It took place on the Blackfeet Indian Reservation near Two Medicine Creek and within sight of the snow-covered Rockies of Glacier National Park. Present were approximately a thousand *braves*—Indian *braves* whose ancestors had hunted this former buffalo country for countless generations—Montana *braves* whose hard work and pioneering have shaped the challenging wilderness into a great state—and, by no means least, Union Oil *braves* who currently are risking several million dollars on the possibility of finding gas or oil beneath the buffalo-grass top soil.

Though it was an oil-hunting *powwow* intended principally for *braves*, a small, wrinkled figure of an Indian woman stole the show. Her name is Otter Woman Morning Gun. She is 87 years of age, according to the best estimate of her four sons. Dressed in an authentic Blackfeet costume of elkhide, but with a flowered shawl pinned around her shoulders, she soberly broke a bottle of Royal Triton over the bit of her namesake wildcat well, then walked back to her 1955 Ford *travois*, borrowed a cigarette, and sat down.

It was not Mrs. Morning Gun's age or costume or impassiveness that so affected the *powwow*. Rather, it was the fact that she—come gusher or dry hole—had already struck it rich. This 279-acre tract on which



A central figure of the oil-hunting ceremony was Otter Woman Morning Gun, seen (above) with three of her sons, from left, Joe, Dick and Jim Morning Gun. Below, the 87-year-old woman, owner of the land on which Union Oil is prospecting, anoints the drilling bit with Royal Triton.

Union Oil was drilling a test well was her land, as was also an adjoining tract willed to her by her late son, John. She had been a shrewd trader. For drilling rights on the two pieces of property, she had obtained from Union Oil \$55,821. If the Company strikes oil, Otter Woman will receive a 12½ per cent royalty. In the bright, crisp coolness of that January day, she probably ran a gamut of human emotions—from sympathetic good wishes to greenest envy. There was no doubting that the Blackfeet's richest woman had never been followed by so many eyes in all of her 87 years.

Union Oil's venture on Two Medicine Creek is being taken after more than 10 years of costly exploratory work in or near the reservation. We are producing from a number of small discoveries made on other Blackfeet lands. But our geologists and geophysicists meanwhile have been looking toward the west, wondering if there isn't another great gas field here some 60 miles southeast of Alberta's famed Pincher Creek Field. Geophysical work at a cost of \$350,000 indicates a continuation of the Pincher trend and the presence under Mrs. Morning Gun's land of good structure. Now to prove the presence of oil or gas will require a series of wildcat wells, the first deep test of which will cost about \$400,000. It was



the spudding-in of this first well that occasioned the big powwow.

Grateful for the 1.3 million dollars in bonuses and rentals Union Oil has already paid the Blackfeet during our current exploratory program, the Indians responded on January 17 by adopting President Reese H. Taylor into tribal membership. At colorful ceremonies held in Browning, the reservation's capital, he was fitted with an elaborate feathered headdress and appropriately (six feet, four) named Chief Big Mountain. Surrounding him were such tribal chieftains as Joe Ironpipe, Ermine Feather, Buffalo Hide, Crow Chief, Iron Breast, Jim White Calf and Theodore Last Star. Nearby, Otter Woman Morning Gun nodded her approval.

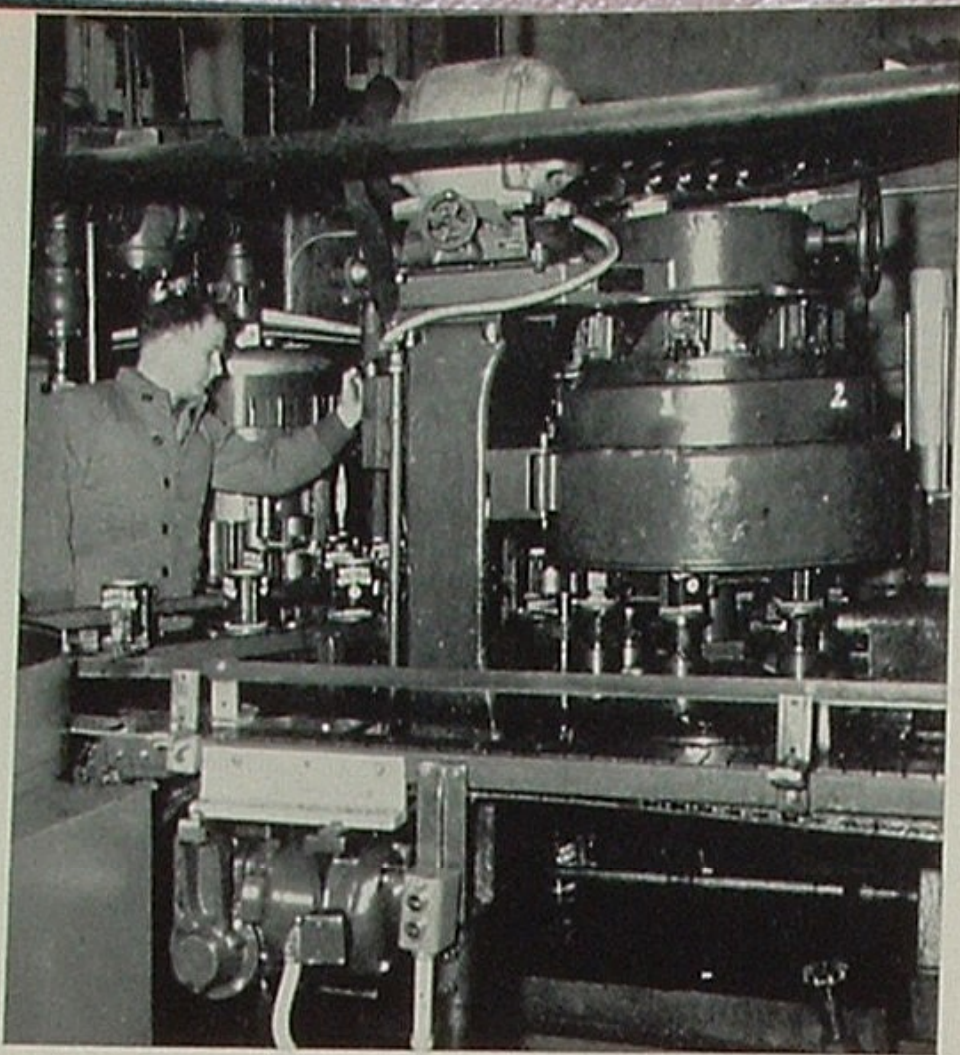
At the spudding-in ceremony, Chief Joe Ironpipe had prayed to the Great Spirit both in Piegan and English, saying: "May my white brothers receive your blessings in successfully developing and bringing all mineral deposits—including uranium, coal, oil and gas—to the surface, that we and our white brothers may forever rejoice in being mutually beneficial."

To the Blackfeet Nation, Chief Big Mountain responded: "Needless to say, we hope your prayers are realized!"

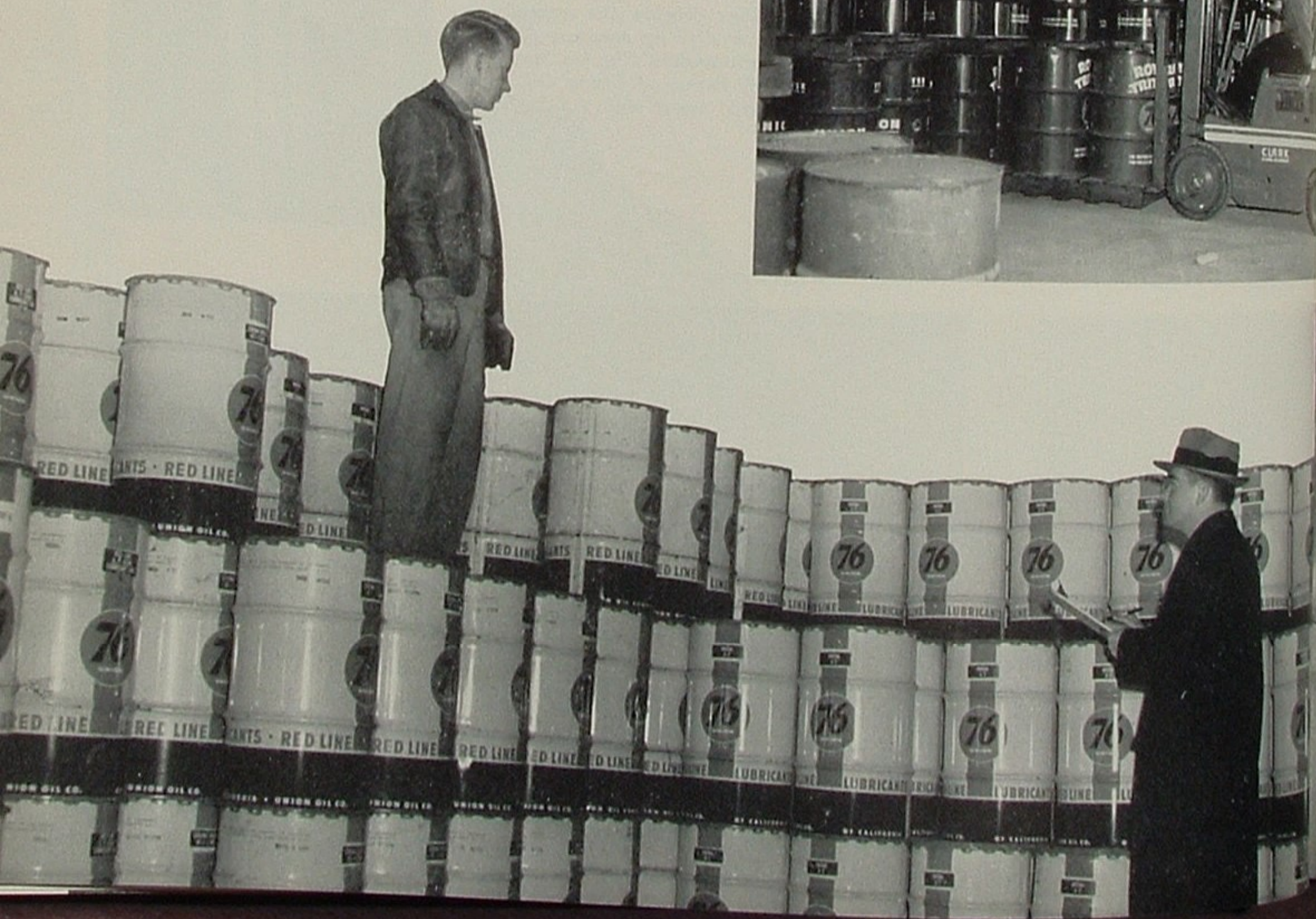


Highlights of the colorful powwow were: (above) the adoption by Chiefs Ermine Skin and Iron Pipe of Chief Big Mountain (Mr. Taylor) into the Blackfeet Nation; (left) a spirited dance by young Indians from the Starr School near Browning; (right) the appeal of Chief Joe Iron Pipe to the Great Spirit for drilling success; (lower left) the participation of, from left, Superintendent Charles Spencer of the Blackfeet Agency, President Reese H. Taylor of Union Oil, and Governor J. Hugo Aronson of Montana; and (lower right) a buffalo-meat luncheon for all in Browning.





Company employees at Philadelphia are G. E. Botto (above) operating filling machine, and (right) handling a shipment of oil drums; (upper right) F. T. Rodden operating the packaging machine; and (below) V. E. Cole and T. A. Armstrong taking inventory of warehouse stocks.



Our Philadelphia Terminal

**Begins Serving as Union Oil Products
Supply Point for Northeastern America**

From C. R. Hand

THE "76" trade symbol has taken residence in the city of its origin—Philadelphia—where in '76 that number became synonymous with human freedom. Union Oil products bearing the famous trademark and developed by freedom-motivated Westerners began moving from our new Philadelphia Terminal in October, 1954, just 178 years after the signing of the Declaration of Independence.

In choosing Philadelphia for a terminal, however, the Company was influenced less by sentimental than by economic considerations. The city is ideally located to supply an important segment of our Eastern Continental Territory extending eastward from Ohio and northward from South Carolina, including Eastern Canada. Being also an Atlantic port, Philadelphia serves as a convenient receiving point for intercoastal shipments of Union products from California and as an export point to some of our European and Near East distributors. Other portions of Eastern Continental Territory are supplied through

Growth of our Eastern marketing is being achieved through the vigorous efforts of both employees and distributors. Below, C. J. Ramsey hands an order to Supt. J. S. Kenney.



Independence Hall, Philadelphia

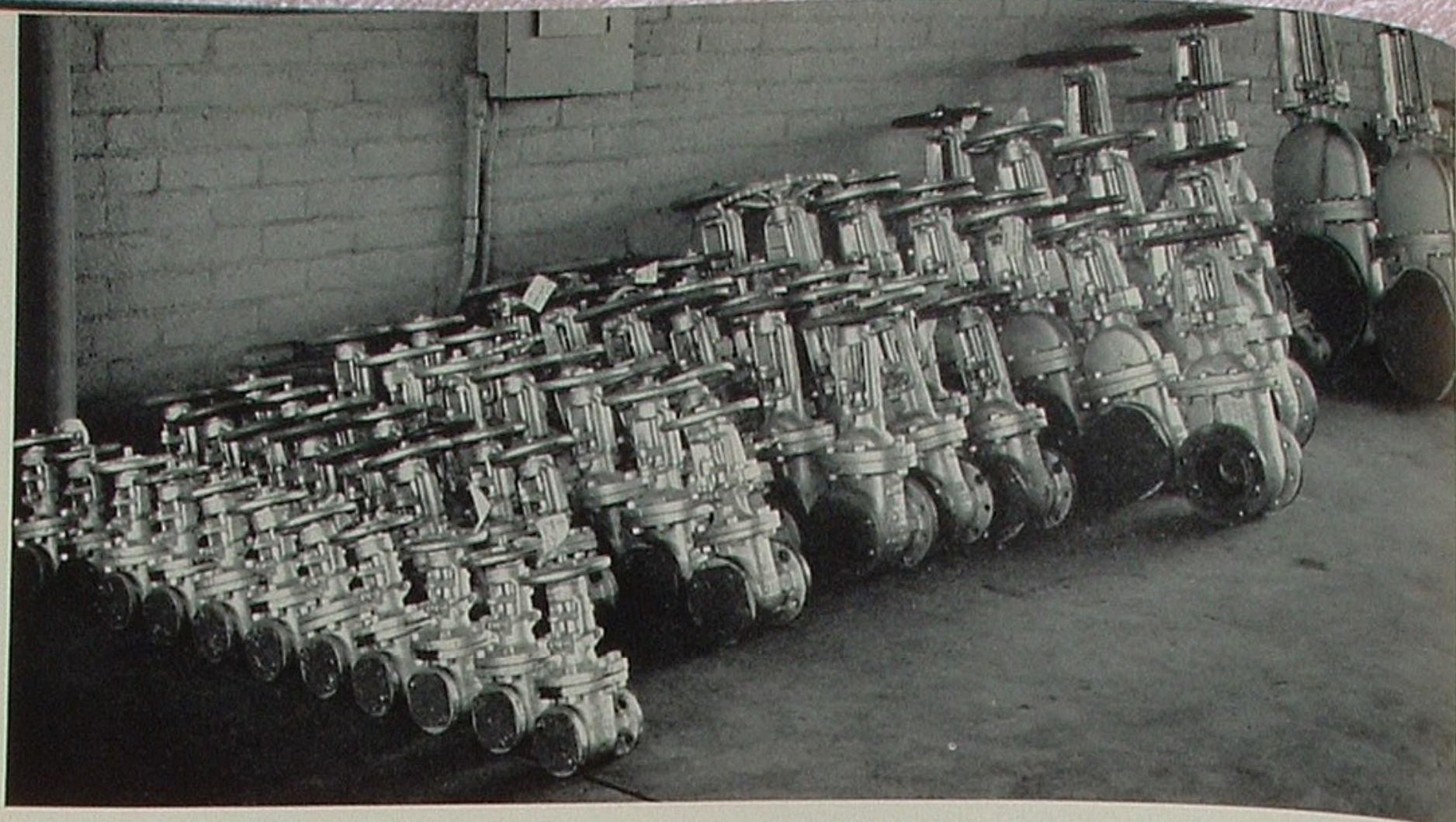
contracted facilities at Good Hope, 16 miles up the Mississippi River from New Orleans.

Philadelphia Terminal, with six employees, is equipped to blend, compound and package all of our motor oils in one-quart, five-quart, five-gallon and 55-gallon containers. Its requirements of packaged grease are being supplied at present by ocean-going vessels from Oleum Refinery.

Carload shipments from the Terminal to our Eastern distributors reflect an encouraging annual growth due to quality of the products and a vigorous marketing campaign.

From left, M. C. Segal, T. A. Armstrong, Terminal Superintendent J. S. Kenney and M. A. "Peg" Hearn plan for a continuation of the Company's marketing expansion.





Would it be good business to buy such valves as these, at 10 per cent discount, a year in advance of our requirements?

Are We Carrying Too Many Spares?

From E. E. Schultz

THE Company's Purchasing Department may at times appear overly anxious about reducing inventories, i. e., the warehouse stocks of materials and supplies used in our operations. Generally speaking, however, there are sound business reasons for keeping all such idle stocks down to a minimum. Perhaps this example will explain why:

Suppose you intend to construct a refining unit one year from now. Manufacturers are able to supply the \$100,000 worth of valves specified when needed but offer you a 10% discount to accept delivery now. Would it be good business to buy the valves now at discount, or wait until nearer the time they are needed?

The answer, according to Union Oil experience as well as studies of the U. S. Department of Commerce, is to wait. For here are the typical costs of carrying such stocks for a period of one year:

Loss in potential earnings due to tying up money in non-productive material	10.0%
Taxes	2.5%
Insurance5%
Obsolescence	1.0%
Deterioration	1.0%

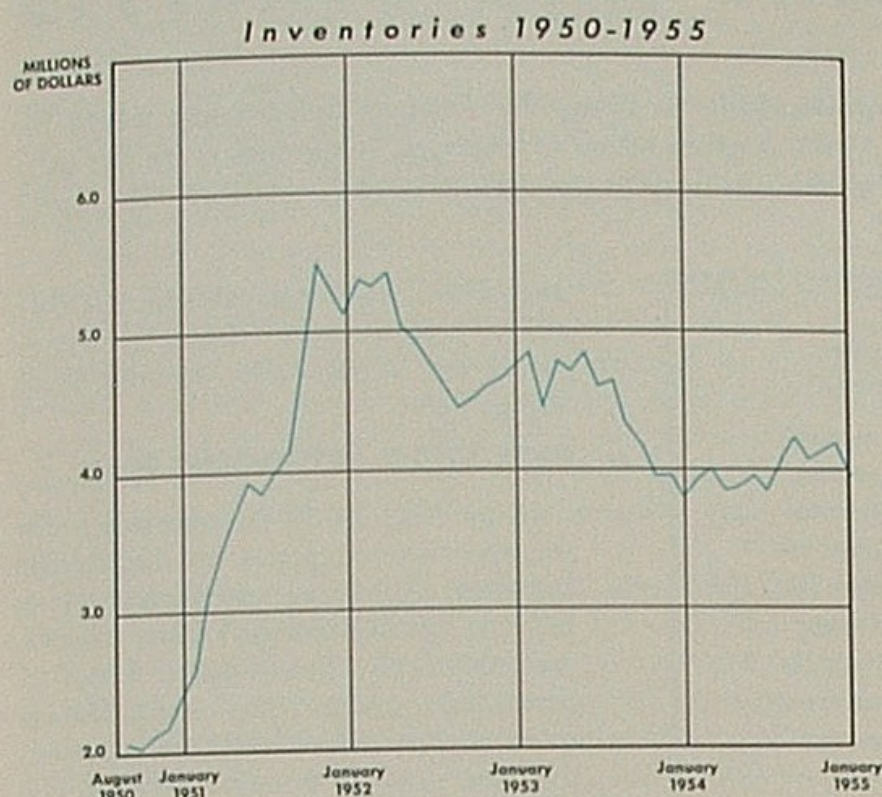
Cost of owning facilities (warehouses, bins, racks, railroad sidings, offices)	5.0%
Cost of operating warehouses, receiving, issuing, auditing, maintenance)	5.0%
TOTAL COST PER YEAR	25.0%

So, more than double the 10% discount would be sacrificed by buying the valves a year ahead of schedule. Naturally, the exact cost of carrying each item will depend upon the nature and location of that item. Nevertheless, 25% per year is a good average figure for the cost of carrying warehouse stocks.

PRESENT INVENTORIES

During the year preceding September, 1951, our warehouse stocks of materials and supplies jumped from \$2,000,000 to \$5,400,000, an increase of about 175%. Due to the Korean War and a resulting tightening of supplies, the increase was necessary in order to protect the continuity of our operations. But since the end of the war and our return to a buyer's market, inventories have decreased only moderately to \$4,000,000. In other words, possibly \$2,000,000 of the Company's money may now be tied up unnecessarily in idle stocks that are

costing us 25% per year to warehouse. The following chart illustrates our position in comparison with former years:



A question often asked regarding present inventories is: "Since the tempo of the Company's activities has increased substantially, isn't it to be expected that our inventories should increase also?" Although a slight increase might be expected, inventories have increased much faster than Company expansion. In the four years prior to September, 1954, our investment in plants, properties and equipment increased 37½%; our sales increased 67%; but our inventory increased 101%.

REASONABLE INVENTORY

It might seem ideal if we did not have to carry any inventories. However, this would require scheduling for delivery each day only the amount needed for that day's operations. As a result, material costs would be substantially higher due to small quantities being delivered at one time. With such close scheduling of so many items, shortages would be bound to occur, and operations would be retarded or interrupted. In our industry, interruptions are costly. Therefore, we protect ourselves against this possibility by maintaining a *reasonable* inventory.

In determining what is a reasonable inventory, we must recognize that every possible contingency need not be covered. During periods of short supply, it is smart business to carry a supply of critical items. In a buyer's market, on the other hand, most items are readily available from distributors' stocks. In the event of an unexpected or emergency requirement for any item not carried in local stocks, the Purchasing Department will exert every effort necessary to obtain the item, and the Traffic Department stands ready to expedite delivery.

ON TOUR

Today it is less necessary to carry large quantities of protective stocks than during former years.

The Company is concerned about the current high level of inventories. A large portion of the \$4,000,000 undoubtedly could be put to work in more productive fields, thereby increasing our earning power and realizations through the Incentive Plan.

HOW?

The Company's Purchasing and Storekeeping employees are striving to reduce inventories by closer scheduling, standardization, relying on local suppliers' stocks, reducing minimum-maximum levels, selling or returning slow-moving stocks, pooling inventories, etc. But a great deal more can be accomplished with the cooperation of all Union Oil people. Here are several rules each of us should make a habit of practicing in order to achieve reasonable inventories:

1. Requisition only what is actually needed. Crystal-ball gazing results in an overstocked condition.
2. Request delivery of material as closely as possible to the date it is actually required.
3. Requisition standard, stocked items when possible. Special items are expensive to set up, move slowly, and often are sold at a loss as surplus.
4. Inform the warehouse of changes in your requirements. Items no longer required should be sold or returned to the supplier promptly.
5. Consider carefully the cost of carrying an item before recommending that it be added to warehouse stocks or stored in greater quantity.

With everyone's help, we can maintain at minimum level an inventory that is both efficient and adequate.

Heater tubes and pipe, stored in open yards and warehouses, may seem like money in the bank to some observers. However, costs of ownership can soon exceed price.



Federal Income Tax Status

OF PAYROLL DEDUCTIONS AND BENEFITS

The following summary, concerning both payroll deductions and benefits received, is offered to assist employees in complying with the Federal Income Tax Law,

particularly in filing the Federal income tax return for 1954. It gives effect to changes in the law since the date of the summary in the January, 1951 issue of "On Tour."

	Payroll Deductions	Benefits Received
VOLUNTARY DISABILITY INSURANCE (CALIF.)	Not deductible	Tax exempt
FEDERAL OLD AGE BENEFIT TAX	Not deductible	Tax exempt
EMPLOYEES' BENEFIT PLAN	See Note No. 1	Tax exempt
CONTRIBUTORY GROUP INSURANCE	Not deductible	See Note No. 2
NON-CONTRIBUTORY GROUP INSURANCE	None	See Note No. 2
DISABILITY BENEFIT INSURANCE	Not deductible	Tax exempt
EMPLOYEES' RETIREMENT PLAN	Not deductible	See Note No. 3
U. S. SAVINGS BONDS	Not deductible	Interest taxable
INSURED MEDICAL PLAN	See Note No. 1	Tax exempt
A.I.D. (CHARITABLE CONTRIBUTIONS)	Deductible	None
INCENTIVE PLAN	Not deductible	See Note No. 4
SICK PAY ALLOWANCE	None	See Note No. 5
MILITARY ALLOWANCE	None	Taxable
TERMINATION ALLOWANCE	None	Taxable

under the total and permanent disability provisions of both insurance plans are completely exempt from income tax.

EMPLOYEES' RETIREMENT PLAN

Note No. 3—It is necessary for income tax purposes to distinguish between the three component types of over-all Retirement Plan income, namely, (a) the "basic benefits" provided under the contributory part of the Plan, (b) the primary amount paid under the Federal Social Security Act, and (c) the "supplemental benefits" paid by the Company. Since the (b) component is tax-exempt and the entire amount of the (c) component is taxable, it is only the (a) "basic benefits" that require explanation:

EMPLOYEES BENEFIT PLAN AND INSURED MEDICAL PLAN

Note No. 1—All contributions made to these Plans by an employee may be included in "medical and dental" expenses for the purpose of determining whether the total thereof entitles the employee to a deduction under provisions of Federal income tax laws.

GROUP LIFE INSURANCE AND TOTAL DISABILITY PLANS

Note No. 2—Benefits received in a lump sum by an employee or his beneficiary are completely exempt from income tax. However, in the case of an employee who died after August 16, 1954 and whose beneficiary received benefits in installments, a portion of the money received constitutes taxable income. In substance, the taxable portion consists of any interest earned on the proceeds (face value of the policy) held by the insurance company during the period in which installments are payable. The portion of the policy's face value included in each installment is exempt from income tax. Such exempt portion is computed by dividing the policy's face value by the number of installment payments to be made under the option selected; or if payments are to be made for life, by the number of payments anticipated for the beneficiary by life-expectancy charts. The balance of each installment constitutes taxable income.

A surviving spouse beneficiary is entitled to exempt up to \$1,000 of benefits from the group insurance plans which would otherwise be included in taxable income under the above rule. Benefits payable in installments

The Internal Revenue Code of 1954 adopted a new method of taxing annuities in place of the previous "3% rule." Under the new rule applicable to "basic benefits," an employee may annually exclude from gross income an amount equal to his total contributions (his cost) divided by the number of years representing the life of his particular annuity option. The excess over this amount is includable in gross income. Once the excludable and includable amounts are set, they remain so for as long as the employee receives "basic benefits" under the Retirement Plan.

Where the employee elects to receive his basic benefits in the form of an annuity payable for his life or in the form of a Joint and Survivor Annuity, the life of the annuity contract is based, in the former case on the combined life expectancy of the joint annuitants. The Treasury Department has devised tables based upon life expectancies to be used by taxpayers in computing exempt amounts. These tables are available by request at local offices of the Internal Revenue Service. The following example will illustrate application of the new annuity tax rule:

Assume that an employee selects a uniform payment Joint and Survivor Annuity (the combined life expectancy under the Treasury table being 24 years) and will receive basic benefits of \$840 a year (\$70 a month). His total contributions to the Retirement Plan are \$3,300. The annual tax-free recovery would be \$137.50 (\$3,300 divided by 24), and the annual taxable amount would be \$702.50 (\$840 less \$137.50). These figures remain the same

even if one or both of the joint annuitants should live beyond their life expectancies.

In the case of the Modified Cash Refund Annuity or Six Years Certain Annuity options, the value of the refund feature (also obtained from Treasury actuarial tables) is subtracted from the employee's total contributions to the Plan; the remainder is then divided by the years of life-expectancy to obtain the annual exclusion. The refund or guaranteed amount, if any, paid after the annuitant's death will be tax-free.

A special rule applies in all cases where the basic benefits which will be received by the employee under his annuity option during the first three years equal or exceed his own contributions. In this case, all basic benefit payments are exempt until the employee's cost has been recovered, and thereafter all payments constitute taxable income. This rule will apply in every case of an employee selecting an annuity payable for his life.

Special rules also apply where an employee has received basic benefits taxable under the old "3% rule." In such cases the employee's cost (minus the portion thereof that has already been recovered without being included in taxable income under the "3% rule") and the life expectancy are determined as of January 1, 1954, for the purpose of computing the taxable portion of payments received after 1953. For example:

If in the foregoing illustration the employee had retired on October 1, 1953, and received three monthly payments, he would have included in 1953 income \$24.75 (3% of \$3,300 ÷ 4). Since the remainder of the \$210 (that is \$185.25) received by him in 1953 was tax-free under the old law, this amount must be deducted from his contributions of \$3,300, leaving \$3,114.75 as his cost as of January 1, 1954. Assuming that the combined life expectancy as of January 1, 1954 is still 24 years, the nontaxable portion of the \$840 of basic benefits received in 1954 would be \$129.78 (\$3,114.75 divided by 24) and the remaining portion, or \$710.22 of the amount received in 1954, would constitute taxable income. The nontaxable and taxable portions will remain the same for each subsequent year.

INCENTIVE PLAN

Note No. 4—Neither the Company's contributions nor dividends are taxable to an employee so long as he makes no withdrawals from the Plan; upon *any* withdrawal from the Plan, values received equal to the employee's contributions are not taxable. Withdrawal statements and an income tax summary will be furnished to an employee upon withdrawal to assist him in computing his income tax on amounts received.

Withdrawal Upon Termination of Employment

For the purpose of determining whether or not there is any income tax liability as a result of stock and cash received upon such a withdrawal, an employee may value all stock received at its cost to the Trustee as shown on his withdrawal statement. If the cash and stock valued at such cost exceed the employee's total contributions, the excess will be taxable as a long-term capital gain.

Unless an employee elects to sell his stock to the Trustee and therefore receives cash, any increase in value prior to withdrawal over the cost of stock received is not to be included at the time of withdrawal in determining the amount of gain subject to tax. The extent to which this increase in value may subsequently result in a taxable gain upon a sale or other taxable disposition, and other tax questions arising upon such sale or disposition, will be explained in the tax summary given to an employee at the time of his withdrawal.

Withdrawals During Employment

For the purpose of determining his income tax liability in the case of complete withdrawal from the Plan during continuing Company employment, an employee must value stock purchased with the Company's contributions or with any dividends at its *market value* on the date of distribution by the Trustee. Stock received that was purchased with his own contributions may be valued at its *cost* to the Trustee. If the cash and the stock so valued exceed the employee's total contributions, the excess will be taxable as ordinary income.

It will be noted that the effect of the above rule is that any increase in value, prior to distribution, over the cost of stock purchased with the employee's contributions is not required to be included at the time of withdrawal in determining the amount of income subject to tax. The extent to which such increase in value may subsequently result in taxable income or gain, upon a sale or other taxable disposition, and other tax effects produced by such a sale or disposition, will be explained in the tax summary given to an employee at time of withdrawal.

Inasmuch as no partial withdrawals may be made before July 1, 1957, information regarding the taxability of amounts received upon any such withdrawal, will be furnished after the above date to employees making partial withdrawals.

SICK PAY ALLOWANCE PLAN

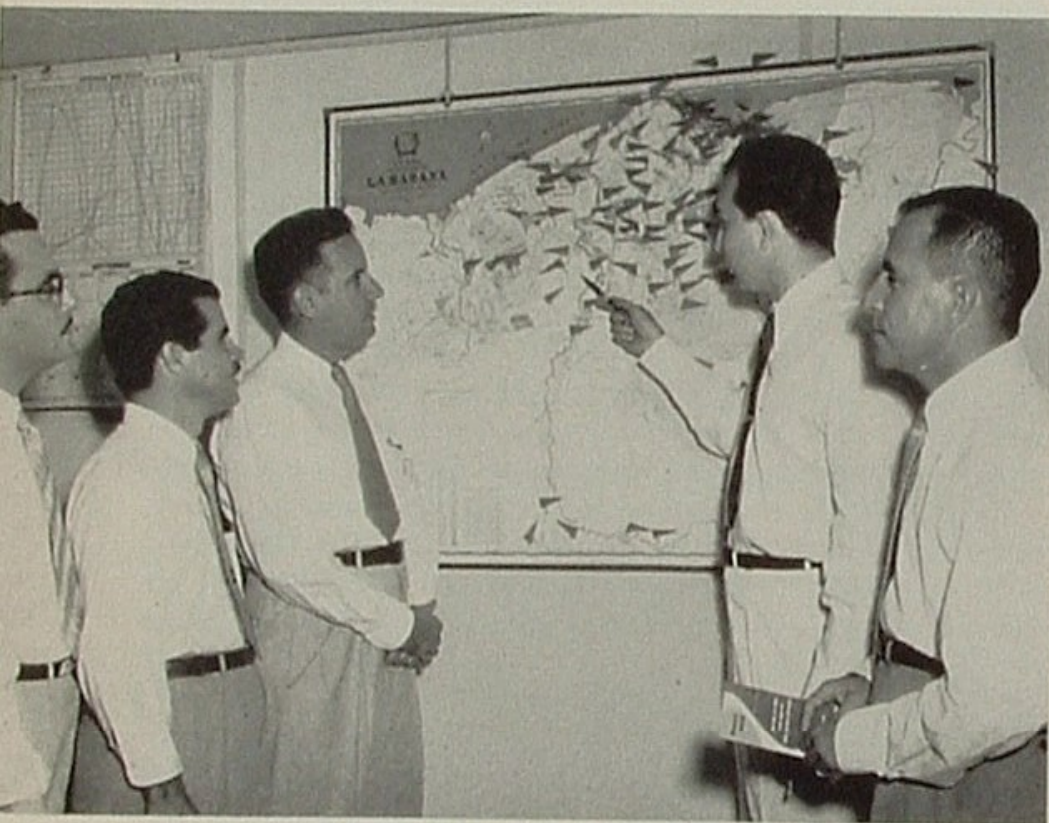
Note No. 5—The taxability of benefits under this Plan was completely changed by the Internal Revenue Code of 1954. With respect to all such pay received on or after January 1, 1954, an employee is entitled to an exclusion from his taxable income up to a weekly rate of \$100; however, in the case of absence due to *sickness*, such amounts attributable to the first 7 calendar days of absence are not excludable unless the employee is hospitalized (confined to a hospital as a registered bed patient) on account of sickness for at least one day during his sickness. The waiting period applies to each individual period of absence due to sickness. If an employee's absence is due to *injury*, there is no waiting period and all payments up to the weekly rate of \$100 are exempt from tax.

Amounts so excludable will not be subject to income tax withholding by the Company where the information furnished to it is timely and accurate. Where hospitalization occurs after the first 7 days of absence due to sickness, thereby qualifying such first 7 days for tax-exempt sick pay, any tax previously withheld from the first 7 days of sick pay will as a general rule be adjusted in a subsequent pay period.

continued on page 23



To, from left, President Renan Moreira, Treasurer Laureano Herra and Vice President Oney Moreira of Bestoil Petroleum Corporation is given marketing credit for the successful introduction of Union Oil products in Cuba.



Five of Bestoil's salesmen, unidentified, have indicated with map pennants the locations in Havana where they have been successful in establishing Royal Triton dealerships.

Rice and sugar mills, of which there are some 200 in Cuba, attest container-wise to the demand for Union Oil's heavy-duty lubricating oils and all-purpose greases.



Cuba Demands

Ellis

Because of high import duties and intense competition between some 60 brands of oil, including several foreign oils, Cuba has been regarded as a very difficult lubricants market to invade.

Nevertheless, our Triton motor oils and Unoba greases, when introduced in Cuba less than a year ago, scored remarkable successes. Triton, priced at 60 cents a quart to compete with the major sellers, began moving in heavy volume. Royal Triton, priced five cents above the former top market price, enjoyed such brisk demand that other manufacturers of premium oil raised their prices five cents a quart to emphasize quality. Acceptance of our Unoba greases was similarly beyond expectations in this market which some suppliers looked upon as being in the "axle grease" stage of development.

The basic reason for our "Royal" welcome is of course quality of product. Although many Cubans are penny-



"The oil unfalsified" or unadulterated is our interpretation of the ad slogan Bestoil applies to Royal Triton.

Particularly on irrigation pumps in the rice fields, growers appreciate the heat and water resistance of Unoba.



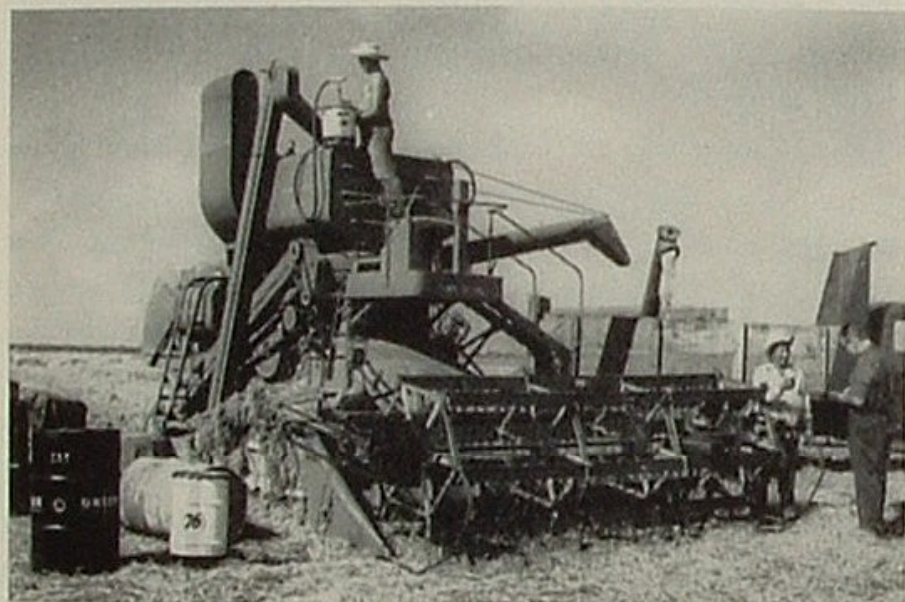
ON TOUR

s The Finest

Ellis

wise in the purchase of commodities, they are not pound-foolish regarding the maintenance of 110,000 vehicles and 170 sugar mills on their 700-mile-long island. Wisely they insist on the finest lubricants to protect their much costlier machine investments.

Credit for the prompt acceptance of Union Oil products in Cuba is given to President Renan Moreira, Vice President Oney Moreira and Treasurer Laureano Herra, executives of Bestoil Petroleum Corporation. They are distributors of several makes of heavy machinery in addition to our lubricants. Their staff of about 25 salesmen provides ready-made coverage, experience and acquaintanceship. Moreover, the Bestoil people are quick to appreciate and take advantage of good advertising media, sales promotional follow-up, and other tools of the marketing trade. Their unbeatable formula for present and continuing success is HARD WORK.



On rice harvesting machines, Unoba grease, applied twice weekly, out-performs other products applied twice daily.

Cubans have nicknamed "76" products as a "fountain of youth" for any industrial machinery needing rejuvenation.



ON TOUR



Among Havana automobile dealers who enthusiastically recommend Royal Triton as the "finest" is Ramon Sante, distributor of the German Mercedes-Benz and the American Packard. He is most satisfied with Royal's performance.



Another pleased customer of Renan Moriera is Service Manager Manolito Rodriguez, left, engineer and auto racer, whose Buick service station is one of Cuba's best.

Bestoil suggests as an authentic Union Oil ad these three Havana society beauties who insist upon America's "finest" motor oil for lubrication of their sports car.





INDUSTRIAL SUMMARY

INDUSTRIAL RELATIONS

As of January 1, 1955, six months after its inception, the Employees Incentive Plan showed a registration of 5,544 out of 7,159 eligible employees, or a participation of 77.4 per cent. The most recent analysis of monies allocated shows that Company contributions during the first six months amounted to approximately 91 cents for every employee dollar put into the Plan.

The 1955 technical recruitment of qualified engineers for the trainee program is well underway. Interviews have been conducted in approximately 20 schools. Bids for assignments are now being actively considered by the various departments, who judge the candidates according to information obtained through the interviews and scholastic records.

from W. C. Stevenson

MANUFACTURING

At Oleum Refinery the initial operations of the Unisol Plant and the Sulfur Plant, now in progress, signal the completion of process unit construction under the MP-30 program.

The purpose of the Unisol Plant is to extract undesirable sulfur compounds, or mercaptans, from gasoline stocks by the use of caustic soda and methyl alcohol. The function of methyl alcohol is to increase the ability of the caustic soda to absorb sulfur compounds. In a subsequent operation, the caustic soda and methyl alcohol are separated from the sulfur compounds for reuse in the process. There is a separate section in the unit which will treat butanes, liquid petroleum gas, to remove sulfur compounds. This entire plant will treat about 6,500 barrels per day of gasoline stocks.

Hydrogen sulfide obtained from various process units at Oleum is converted to liquid sulfur at the new Sulfur Plant. The daily production of sulfur, estimated at 53 tons per calendar day, is stored in liquid form at about 275° F. for bulk shipment by truck.

Initial operation of the new Santa Maria Refinery is now in progress.

from K. E. Kingman

FIELD

The Company's exploration program is off to a very favorable start in 1955. Already, five drilling successes have been recorded, three in Canada and one each in California and West Texas. It is hoped that future development drilling will prove some of them to be of major magnitude. Following is a brief summary of the new discoveries:

1. The Bourdieu 55-1 wildcat, located about a mile southeast of the Gujarral Hills Field in Fresno County, California, was completed for 2,927 barrels per day of 30° gravity crude from Gatchell Sands cored from 10,592 feet to 10,737 feet. Company leases in the area cover 1,600 acres.

2. Johnston 1, on the Eskota Prospect in Fisher County, Texas, established flowing potential of 224 barrels per day of 44.5° gravity oil from Ellenburger Sands at a depth of 5,894 feet. The Company has a 50% interest in some 700 acres on this prospect.

3. The producing area at South Sturgeon Lake, Alberta, Canada, was extended about two miles to the southwest of the discovery well with completion of two extension tests, Liberal 11-25 and Liberal 3-31, for initial production of 1,450 and 2,000 barrels per day respectively. This activity is on the 99,000-acre Crown Reservation held jointly with Hudson's Bay Oil and Gas Company.

4. The Company earned a 50% interest in 14 sections of leases by drilling Cooking Lake 1, east of Edmonton, Alberta, which by drillstem test indicates to be a Devonian Reef oil discovery. At this writing the well is in process of being completed at its total depth of 4,115 feet.

5. Far to the northwest, one of two wildcats being drilled in Eastern British Columbia flowed gas at a rate of 5,000 Mcf per day while testing a sand interval from 3,417 to 3,437 feet. This well, Milligan 1, is located on a 255,000 acre Provincial Reservation, and is a joint test in which the Company has a 39% interest.

Although it probably is too much to expect that this fast discovery rate will continue, we at least are off to a propitious start this year.

from Sam Grinsfelder

● TRANSPORTATION & DISTRIBUTION

Our motor vessel, UNOBA, a small tankship of approximately 6,700

barrel capacity, which operates in the Panama Canal Zone, arrived at Los Angeles Harbor early in January to undergo annual drydock inspection and repairs required to maintain the ship in seaworthy condition. This work was done in Los Angeles to avoid excessive repair costs in the Canal Zone area. Upon completion of repairs, the vessel sailed with a full cargo for discharge at Puntarenas, Costa Rica and Balboa, Canal Zone.

During 1954 the Automotive Department purchased a total of 450 new vehicles for operation by the various Company departments. Included in this total were 235 automobiles, 88 pickup trucks, 99 trucks and 29 trailers, and miscellaneous specialized types of equipment. Most of the vehicles were acquired to replace existing equipment as part of our normal replacement program. Some additions to the automotive fleet were necessary to meet increased transportation requirements due to expanding activities. At the end of 1954, the Company's automotive fleet totaled 2,170 vehicles of all types.

from E. L. Hiatt

● PURCHASING

During the past two months, over 50 contracts and letters of commitment have been negotiated with suppliers, covering anticipated material requirements during 1955 amounting to approximately \$8,000,000. Included in the wide range of purchase agreements are such diverse items as pumping units for the production of crude oil, lithium for grease manufacture, water treating chemicals, signs and pumps for service stations, T. E. L. for gasoline improvement, mud chemicals for drilling wells, bearings for equipment repairs, children's *beanies* for advertising.

By combining anticipated requirements of many using points into one agreement, both the Company and supplier benefit from long-range planning. The supplier, through planned production, is able to reduce costs and quote more favorable prices. The Company in turn benefits by securing the advantages of large volume purchases regardless of the quantity or frequency of use at any particular location.

These purchase agreements also enable operating departments to more closely control inventories. Contracting vendors assure the using department of prompt delivery, and in many cases shipping schedules can be so closely coordinated with time of use as to entirely eliminate inventories.

from C. S. Perkins

● MARKETING

Steel is now being erected on the "shaft" of the San Francisco Union Oil Building. When completed, this shaft will be approximately 200 feet in height above the sidewalk and on top of the new shaft will be a 65-foot flag pole. The present tower rises to a height of about 150 feet above the sidewalk. It is very conceivable that in years to come, Union Oil Company's new "shaft" will become a rival of the famous Ferry Building as a landmark in the City of San Francisco.

In Export Sales a contract has been signed which appoints Connell Bros Co. Ltd. as exclusive distributor of our branded products in Korea.

We have successfully negotiated a contract with the Antofagasta Bolivia Railway to serve their fuel oil requirements in Chile for this coming year. This is the first time we have handled their general fuel requirements since 1916.

An engineering study is presently underway with reference to providing air blown asphalt manufacturing facilities at our Edmonds Refinery.

Recognizing the national economic importance of asphalt as a low cost high quality highway construction material, we have distributed copies of an excellent Asphalt Institute film entitled "Asphalt, The Magic Carpet" to each of the territories for showing to service clubs, lodges, etc.

Work will start very shortly on the \$3,000,000 Los Angeles terminal to be located adjacent to and south of the Company's Rosecrans absorption plant in Los Angeles County and in proximity to the Rosecrans transport terminal. This new plant will replace the present Los Angeles terminal on Mateo Street in Los Angeles which was opened in 1901. These facilities are inadequate to handle the growing volume of distribution in Southern California and Arizona and there is no property available for expansion. After a careful study it was determined inadvisable to rebuild at Mateo Street. Due to the location of the new plant and the facilities which will be provided, there will be a considerable economy in distribution operations within the Southern California area and the plant is scheduled to be completed in December of this year.

During the year 1954, 263 new service station locations were approved and 195 stations were actually placed in operation compared to 150 approved locations in 1953 and 105 openings. As many of the stations which were opened in 1954 were approved in 1953, the large number of locations approved in 1954 will result in an even greater number of openings in 1955.

from Roy Linden

LETTER

To the Editor of ON TOUR:

In his letter of October 1, 1954 to all Union Oil Company employees, President Reese H. Taylor stirred up an age-old problem under the subject of "Imports Keeping U. S. Production Down." The question he raises is, how can we justify excessive imports of oil into the U. S. when such imports cause the shutting in of our own wells and curtailment of the U. S. petroleum industry? I wish I knew a ready answer for that one.

However, while on occupation duty in Europe, I was impressed with the fact that the exchange in goods served as a sort of common language among the Russians, Americans, French, Germans and English. Where trade existed among these people, religious, political and ideological differences seemed to be forgotten; there were built up instead the trust, understanding and friendship that lead to at least peaceful co-existence. Isn't it reasonable, therefore, that an increased exchange of goods among nations would be an effective step toward peace and away from the destructive war everyone is dreading?

Now exchange implies a willingness to buy as well as sell. In other words, the U. S.—which fortunately appears to be plagued with too much of everything already—must be willing to buy something in return for what it sells to other countries. And at present crude oil seems to be one of the few commodities the U. S. can advantageously import from abroad.

Although I have been employed in the petroleum industry since graduating from high school and am vitally interested in my present job of selling petroleum products, I feel that foreign trade should be stimulated, even if partially at the expense of our own oil industry, rather than curtailed.

It is gratifying that ON TOUR offers employees an opportunity to express their opinions. Mine is expressed, not with the idea of offering a simple answer to a very complex question, but rather to prolong our search for the right answer. Wouldn't increased foreign trade, including oil trade, be to everyone's advantage?

(Signed) **Wyman L. Hill**

Dear Mr. Hill:

We not only congratulate you for stating your opinion so lucidly, but are inclined to agree with you. Increased foreign trade often does tend to promote peace and usually would be to everyone's advantage.

However:

Union Oil Company, as stated by Mr. Taylor, is concerned with the fact that the United States failed to maintain its normal rate of domestic oil production early in 1954 not through lack of oil but because foreign imports forced the shutting-in of many U. S. wells. Any continuation of this trend will lessen the profitability of domestic oil and thereby discourage the search in this hemisphere for new oil sources.

The greatest peril from such a situation would be to our national security. Imports from across the oceans would be cut off or drastically reduced by a European or Asiatic foe in the event of war. Then our domestic industry, grown used to foreign supply, would be called upon not only to make up the foreign deficit but to supply the petroleum requirements of a vast war machine in addition to the war-time demands of industry.

New oil sources are not found overnight. Most fields are found over a period of years—through the combined skills of hundreds of men—and at a cost of millions of dollars. The U. S. can maintain its petroleum advantage over potential enemies only by enabling the domestic industry to remain vigorous and expansive. The world "political" situation is such that we should not imperil our vital domestic petroleum industry for the sake of encouraging international trade.

Although you made no mention of "free trade" as such, we should like to reply further to your inquiry by quoting a recent editorial from the American Economic Foundation. It is entitled:

IS UNIVERSAL FREE TRADE POSSIBLE?

By Fred G. Clark and Richard Stanton Rimanoxy

I

There can be no doubt that free trade is the best possible economic procedure between nations.

Free trade is the situation that now exists between the 48 sovereign states that make up the United States of America, and is one of the important reasons for our astonishing degree of prosperity.

It is good for the following reasons:

1. Every state has free access to the raw materials and finished products of every other state.

2. The people of every state benefit from the manufacturing skill and specialties of the people of every other state.

3. The particular areas that are most efficient in producing any given item naturally get more and more business and can become more and more efficient and thus give the customer better and better values.

The economic blessings of free trade on America have been so abundant that it is only natural for many thoughtful people to consider it a solution to the economic problems of the entire world.

II

This proposal, however, must be carefully examined before any conclusion is drawn.

There are certain *political* conditions which make our free trade possible and without which it would be impossible.

1. There is no danger that any of our 48 states will go to war against each other. Therefore, as permanent, inseparable allies we can depend upon each other for vital raw materials and vital defense products.

2. We have a common currency that flows freely within the 48 states, without restrictions and without being manipulated as to its value by any state governments.

3. We have reasonably uniform wage rates in all 48 states, which means that no American worker is forced through free trade to compete with sweat-shop labor.

If we did not have all three of these conditions in the United States, we could not have free trade.

III

Now let's look at the world situation as it now exists and see if these three conditions are present.

1. There is a grave danger of war, and because of that, most countries are urgently at work trying to build up their defense industries and are protecting these industries with tariffs or other trade barriers.

2. Many nations have placed political restrictions on the international movement of their currencies and many of these nations have established highly questionable rates of exchange.

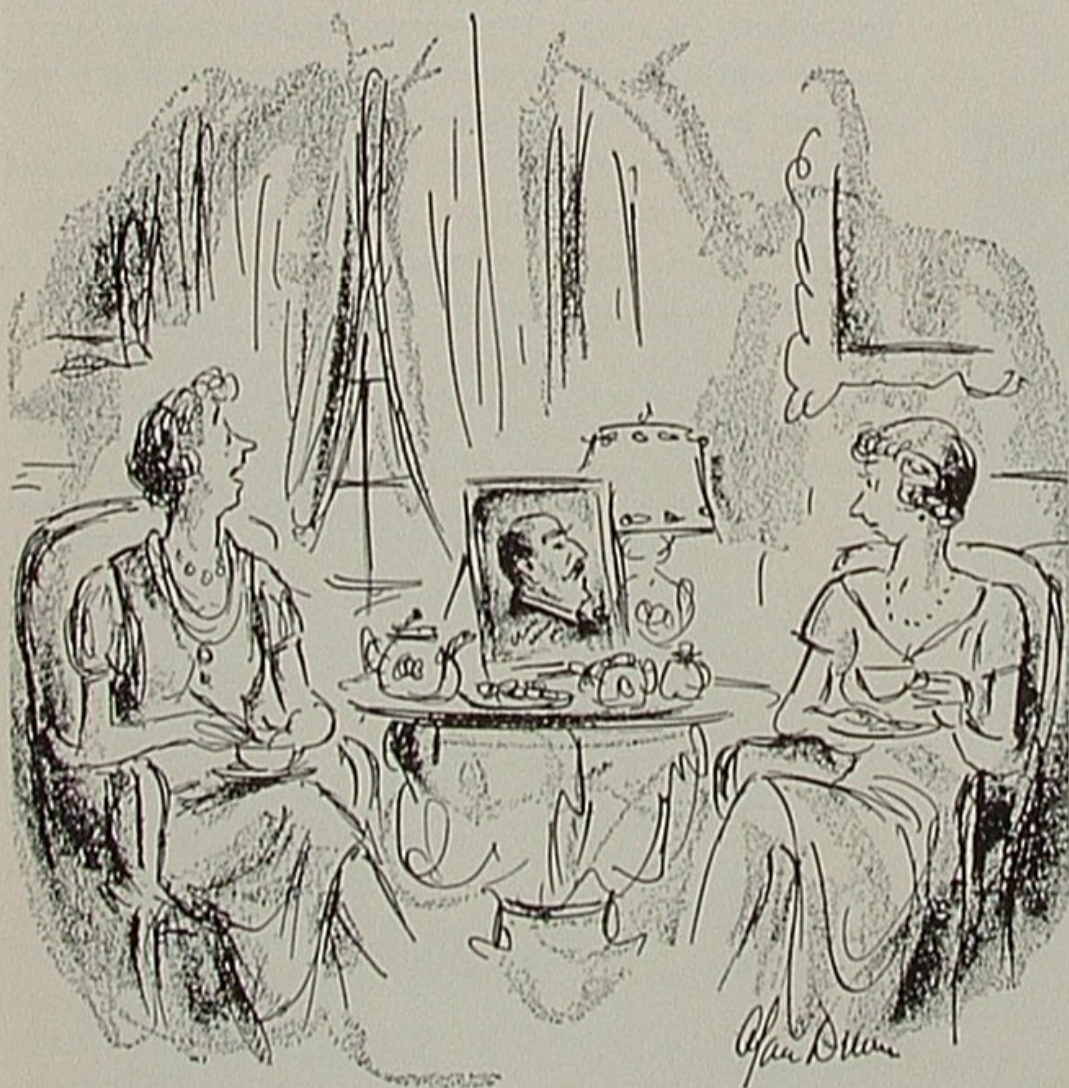
3. There is a great lack of uniformity in wage rates throughout the world; under free trade, American workers would be forced to compete with foreign skilled labor using modern machinery but earning as little as 17 cents per hour.

IV

Unpleasant as it may be to face the facts, we must conclude that at the present time there are insurmountable obstacles to universal free trade.

It seems to us, therefore, that the individuals and organizations who are concerned with relieving international economic problems would do well to forget the mirage of free trade and concentrate their efforts on more practical approaches.

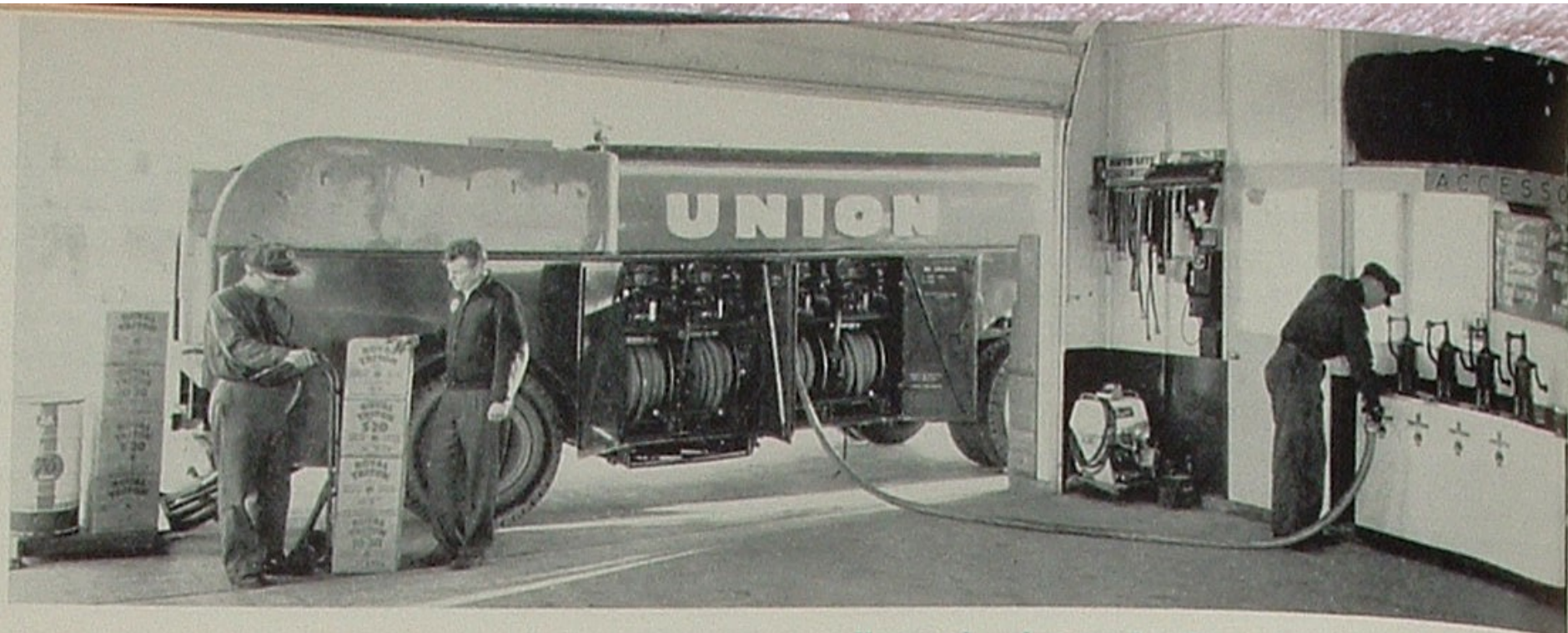
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"I thought this time it was the real thing, but he was only after my proxy."

ATTENTION EMPLOYEE SHAREHOLDERS

Your proxy is your vote. If you do not plan to attend the Annual Shareholders Meeting on Tuesday, April 12th, your vote can be evidenced by signing and returning the proxy card which was mailed to you recently. No employee should regard his or her holdings as being too small for representation at this meeting.



BAY AREA PRESENTS ITS VERSION OF

Portable Products Pipe Line

From W. V. Criddle

Hose-reel and meter handling of bulk deliveries combined with a rear deck and power tail-gate for package goods provide delivery service that is clean, swift, economical.

HERE is Central Territory's conception of how service stations can be served most conveniently with petroleum products other than gasolines;

Operating since last July from our Emeryville plant is a large transport which delivers lubricating oils, greases, kerosene and cleaning solvent to 141 retail dealers in the Vallejo, Oleum, Concord, Oakland, Hayward, Redwood City and South San Francisco areas. Its bulk capacity load of 1,900 gallons is carried in six tank compartments, each connected to a separate pump, meter and hose reel. In addition, nine full barrels—or equivalent space for other types of packages—are carried on the unit's rear deck, which is equipped with a power tail-gate to facilitate package handling.

Two-man operation of the transport by a driver and a salesman reduces delivery time to a minimum. Generally, the unit calls at service stations twice monthly to keep our dealers adequately supplied.

The Company's most modern design of a package truck has passed its six months' trial run in the Bay Area. Routing of the truck to 141 stations was carefully planned by Transport Supervisor E. B. Bevan, Plant Superintendent E. H. Wentland, and Transport Dispatcher F. E. Anderson.



Lunch Bucket Ballads

THIS IS IT!

How often, dear, you took this pail,
And said a word of grace,
Then opened it to eat your fill,
But made an awful face.

"Ah, there's that same old soup,
A dish of fruit, a piece of cake,
Perhaps a wedge of pie—
Is that all she can make?"

You eat 'cause you're half starved
Or perhaps it's just a habit.
"Say, what's she wrapped in this thing?
Ah, it's just a hunk of rabbit!"

Then, of all times, the bell rings
And orders you must take
To regulate the speed, check a plane
Or go and change a gate.

When once again you seat yourself
And try again to eat,
The soup is cold, the bread is dry,
You're tired and feel half beat.

To the chug of pumps within your ear
You to yourself would chime,
"I wish this was the last blame lunch
I'd eat on Company time."

Well, 26 years have come and gone,
At last that time is near.
You'll no longer eat the lunch,
Nor will I prepare it, dear.

As we look back across the years,
It seems a silly notion
That we together face it, dear,
With strange and mixed emotion.



Mrs. Augustus Keyser tucked this poem in her husband's lunch bucket December 31st, his last day "on tour" before retiring from our Northern Division Pipe Line.

As I prepare this last lunch
And as you eat, my dear,
Say "This is it!"—enjoy it much
For now that time is here.



The "Owed to a Paycheck" penned by Mrs. Greenstone brought from Ray of our Los Angeles Refinery laboratory a triumphant "Next month she'll get the deductions!"

"OWED" TO A PAYCHECK

Now those stubs you tear with such care from your pay,
Have you ever noticed the things that they say?
Those STATEMENTS of EARNINGS AND LEGAL DEDUCTIONS,
You're warned to RETAIN FOR YOUR TAXES instructions?

Your NAME and your company NUMBER have places,
While SOCIAL SECURITY fills lots of the spaces.
Your CODE and the RATE and your HOURS, OCCUPATION,
Are only a part of the general summation.

There're BONDS, UNION DUES and some MISCELLANEOUS,
And ACCOUNTS RECEIVABLE are ever the bane of us,
ALLOWANCES, REFUNDS, INSURANCE galore,
STATE/VOL., DISABILITY, GROUP—are there more?

In type that is usually much smaller than pica,
Are FEDERAL O.A.B. or FEDERAL ICA.
And PLANS for RETIREMENT, BENEFIT too,
ADVANCES and CREDIT from UNION to you.

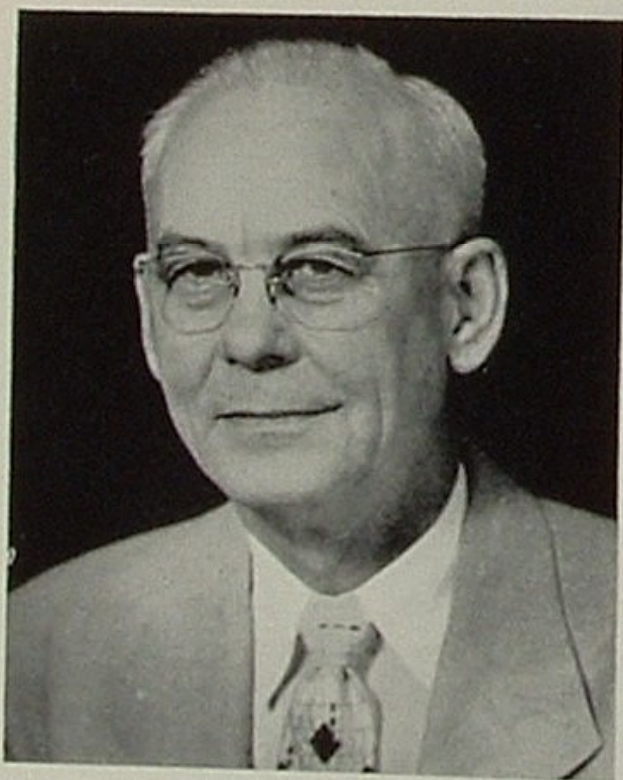
The EARNINGS when GROSS, they aren't too bad,
'Till TAXES WITHHELD makes everything sad.
When all's said and done, I'd sure raise no ructions,
If they'd just keep the pay and give me the deductions!



OUTSTANDING marketers of Northwest Territory during 1954 are being given earned recognition. Left, Territory Sales Manager R. T. Carrington is presenting District Sales Managers R. M. Clark of Medford and L. C. Burklund of Seattle grand prize and top December award respectively of Operations Lubricant Contest. Below, Manager Sales Services J. W. White (3rd from left) rewards R. C. Clifford for service station acquisitions, L. H. Manning for fuel oil and asphalt sales, and O. E. Leedy, right, for originating the contest.

from R. J. Sandercock

Union Oilers



APPOINTED senior market research and development engineer for Brea Chemicals, Inc., effective during February, is Dr. I. Bergsteinsson, formerly senior research chemist for Union Oil at our Brea Research Center. He will undertake studies and analyses of chemical markets for new products developed by Brea Chemicals.

from R. L. Clark



HONORED as the 1954 senior citizen of Woodburn, Oregon, is H. M. "Buck" Austin, Union Oil consignee. At right he is seen responding during the city's annual Distinguished Service Awards banquet, held January 19. His selection was based on personal character, ability, achievement, leadership, and service to his community, state and nation. A large delegation of Union Oil people from Portland and vicinity was on hand to extend congratulations.

from L. B. Trelue





◀ **GIRLS' CLUB** at San Francisco changed officers at a January 22 luncheon when, from left, Vera Angell, Pat Norin, Betty Tibbe and President Laverne Minkel turned the governing reins over to incoming President Frances Williamson, Ruth Fischer, June Shillestad and Toni Masi. Special guests at this year's Red Chimney Restaurant luncheon in Stonestown were the "alumni"—18 former employees who were happy to renew their Union Oil acquaintances.

from Pat Clark

▶ **UNOCO CLUB** President Herb Kottler, left, of Seattle, with fellow officers Carol Judkins and Jill Weinhart, agree to take up where ex-President Oliver Leedy, right, and his officer associates left off in continuing the excellent employee social activities of Northwest Territory.

from R. J. Sandercock



▶ **OLEUM'S** Recreational Association held their annual inaugural January 5. New officers elected are (seated, beginning 3rd from left) Bill Welch, Chiquita Joiret, President Bill Daneri and (2nd from right) Clarence Pedersen.

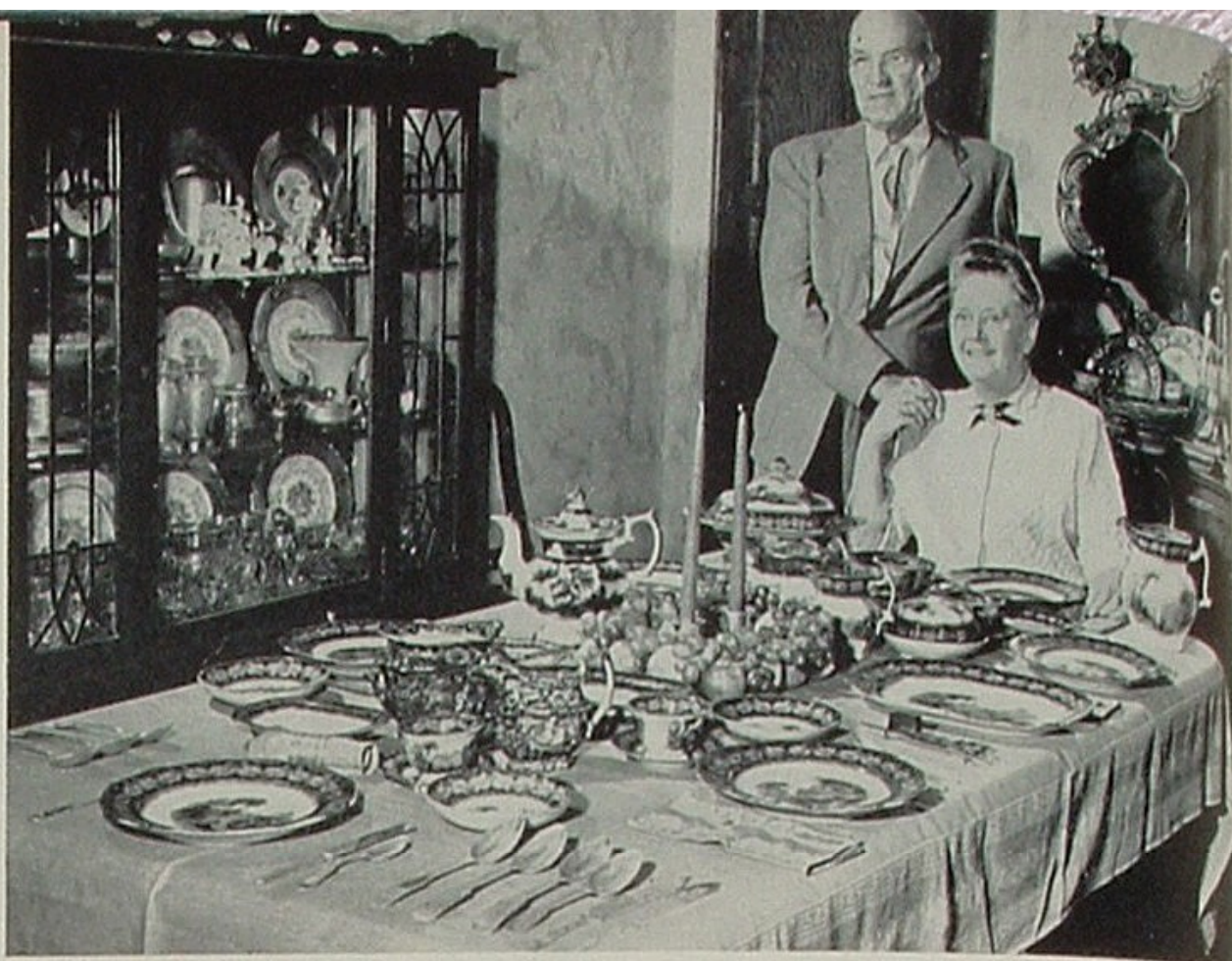
from Clyde Morton



▶ COLLECTORS

of rare antiques are Mr. and Mrs. George Salisbury, shown here with a 100-piece, over 100-year old dinner set made of rare iron stone. The dishes of Straffordshire Blue were handed down from Mr. Salisbury's grandparents, the Prosper Cravaths, progenitors also of Jeff Cravath, former great football coach. Other precious antiques collected by this couple during their 38 years of marriage include furniture, rugs and numerous types of fabrics. Mrs. Salisbury's genius with a needle attracts countless wedding invitations; she has given away some 250 handmade presents in 14 years. George retired December 31, 1952 after 30 years of Union Oil service.

from Lloyd Kinney



▶ COVER SUBJECTS

on a magazine published by the San Francisco Horsemen's Association were Ernie Retherford, his daughter Ernelyne, and their registered quarter horses Topsy and Orocita. Ernie is an industrial sales engineer for Union Oil in the Bay area, and is a vice president and director of the Horsemen's Association. His daughter is a student body leader at her school, also an accomplished pianist.

from Ethel Cline



▶ LAST DAY

on their jobs at Oleum Refinery found Morrison Maines, left, and Art Smith, right, bringing Manager John Towler up to date on early Union Oil history. Both men retired December 31. Morrison has worked

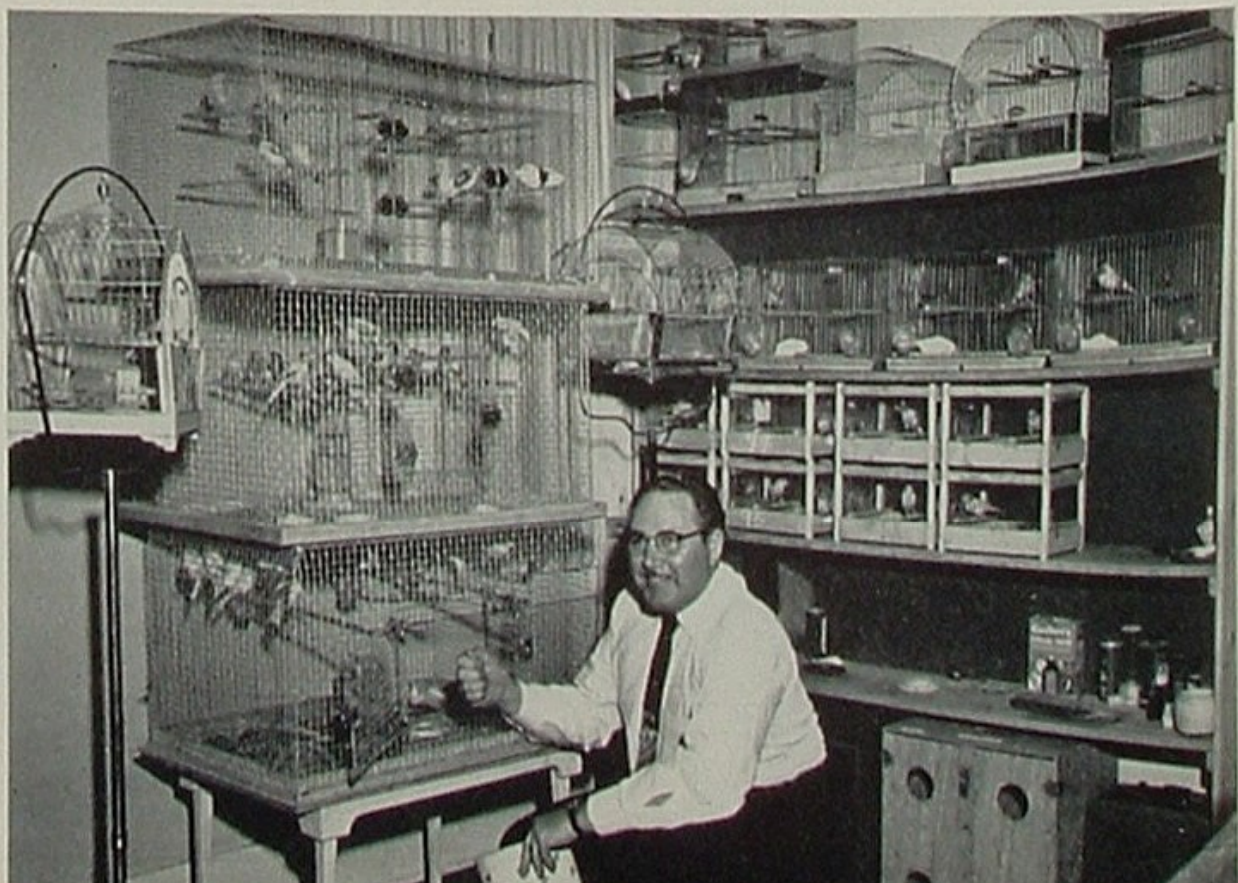
at Oleum since his employment date in 1928, and Art, a 40-year man, was the refinery's senior citizen in point of service.

from Clyde Morton

▶ MAESTRO

Union Oiler Ray Morse of Spokane seems to have a hand in everything and does everything well. Even a hobby he started two years ago of raising roller canaries turned out so successfully that his singing entries have won six cups and 10 ribbons in show competition. His technique was to seek out the advice of experts, then beat 'em at their own game.

from R. J. Sandercock





SERVICE BIRTHDAY AWARDS

MARCH 1955

PIPELINE

Harrington, Jack E., San Luis Obispo....	45
Beck, Erwin C., Santa Fe Springs.....	35
Henderson, Alonzo C., Santa Fe Springs	30
Melton, Marvin, Santa Fe Springs.....	30
Cheatham, Ernest C., Santa Fe Springs	20
Moothart, Ray, San Luis Obispo.....	10

EXPLORATION & PRODUCTION

Kirkham, Clyde L., Dominguez	35
McIntosh, Wallace, Dominguez	30
Olson, Jens L., Dominguez	30
Smith, Harry F., Dominguez	30
Spragg, Donald J., Dominguez	30
Cramer, John G., Orcutt	20
Nelson, Martin J., Rocky Mountain	20
Sanders, Ralph E., Whittier	20
Stanton, W. Layton, Home Office	20
Watson, James H., Whittier	20
Broussard, Dwight C., Louisiana	10
Taylor, Stanley M., Richfield	10

MANUFACTURING

Catrino, John, Oleum	30
Klem, Anthony J., Oleum	30
Moellering, Jewel L., Oleum	30
Sadler, William E., Bakersfield	30
Crabtree, George, Wilmington	25
Thomas, Frank A., Oleum	25
Dubetz, Henry, Oleum	20
Hillenbrand, John C., Oleum	20
Morton, Clyde H., Oleum	20
Norris, Francis K., Oleum	20
O'Grady, Patrick, Oleum	20

Green, Robert L., Oleum	15
Pool, Harlin W., Oleum	15
Conklin, Arthur, Oleum	10
Hartwell, Dick H., Oleum	10
Nihart, Walter R., Wilmington	10
McElhinny, Harry B., Wilmington	10
Saunders, John D., Wilmington	10
Stickler, Bert, Oleum	10

MARKETING

Cannon, Lawrence H., Rosecrans	30
Workman, William W., Sacramento	30
Carter, Malcom K., Los Angeles	25
Larimer, Raymond D., Modesto	25
Livasy, Fred L., Seattle	25
Turk, Albert G., Los Angeles	25
Bailey, Kingman B., Edmonds	20
Burgett, William T., Hyde Park	20
Coie, Willard A., Los Angeles	15
Chandler, Wallace G., San Diego	15
Crocker, Arthur G., San Diego	15
Anderson, John, Tacoma	10
Bowman, Marshall E., San Bernardino	10
Choate, George F., Medford	10
Linder, Robert L., Honolulu	10
Peterson, Woodrow O., Seattle	10
Soeten, George A., Long Beach	10

RESEARCH & PROCESS

Bard, Joe R., Brea	30
Fawver, Arthur A., Brea	10

MARINE

Vidal, Jose, Wilmington	25
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Retirements



A grateful Company and a host of well-wishing employees are bidding farewell to the following Union Oilers who have concluded long careers of Company service and are retiring:

VIOLET INGRAM

Comptroller's
Employed 5/15/18—Retired 3/1/55

JULIA E. CLINE

Central Territory
Employed 12/18/18—Retired 3/1/55

TONEY F. MYRACLE

Field Department
Employed 1/3/22—Retired 3/1/55

CLIFFORD F. BLACKMORE

Field Department
Employed 7/12/22—Retired 3/1/55

BEULAH M. FLYNN

Comptroller's
Employed 5/15/18—Retired 3/1/55

MARVIN WHYTE

Comptroller's
Employed 12/21/25—Retired 3/1/55

MICHELE PLANTIEDI

Southwest Territory
Employed 3/19/31—Retired 3/1/55

WARD JAMISON

Central Territory
Employed 2/18/35—Retired 3/1/55

WILLIAM H. TOLHURST

Oleum Refinery
Employed 9/27/43—Retired 3/1/55

In Memoriam

On February 1, 1955

THOMAS E. LAPPIN

Field Department

On February 6, 1955

ACE MYERS

Northwest Territory

Income Tax Status

continued from page 11

Until late in 1954, the Company was not authorized to exclude sick pay from the withholding tax. However, employees were furnished the necessary information on their 1954 withholding statements to enable them to report the total amount of excludable sick pay based on information furnished to the Company and accumulated in its 1954 sick pay records.

Because the income tax laws of

the numerous states in which the Company has employees vary from state to state and differ in several particulars from the Federal income tax law, it was not considered feasible to attempt to cover the income tax treatment of the various employee benefits and payroll deductions under the laws of each state.

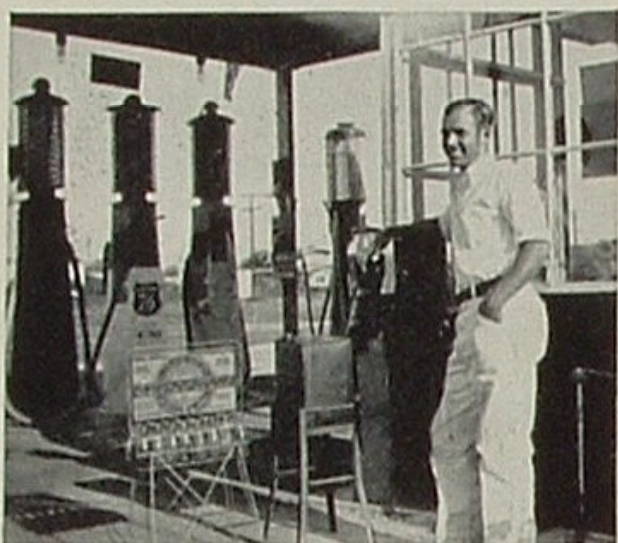
However, the instructions accompanying your particular state's income tax return will probably contain provisions explaining the tax treatment of most of the above items.

Henry McNeil

OR HOW TO BE INDEPENDENT AT 46 ON A \$350 INVESTMENT

"WHENEVER I hear anyone claiming that big business is bad for small business, I think of my own case.

"Back in 1932 I leased this Union Oil service station in Venice, California, with \$350 my wife and I had saved



the hard way. Now at 46 I'm financially independent. But I'd never have made it so soon without the Union Oil Company.

"They taught me how to buy. How to sell. How to service. Even how to hire and train help, and keep my books.

"They'd spend thousands of dollars perfecting new service ideas, then pass 'em on to me for nothing.

"Best of all, people practically took Union's gasoline and motor oil away from me. They were always the finest in the West.

"Well, business was so good I had the station paid for by 1939. Then I



YOU ALWAYS GET THE FRIENDLY SMILE AND FAMOUS SERVICE AT McNEIL'S

started buying real estate around it. Today my net worth's in the six figures. The children are through college and



on their own. Marjorie and I are going to travel while we're still young enough to enjoy it. But believe me—I'd never have done half so well if I hadn't been in business with big business!"

Henry McNeil, it seems to us, is the kind of man who would have succeeded with or without our help. But his point is well taken. Big business *does* help small business.

Union Oil is a typical example. We're the 45th largest manufacturing company in the country, with over \$350,000,000 volume in 1954.

But of this \$350,000,000, the lion's share—or 75%—is spent with the more



than 15,000 small businesses and individuals like Henry McNeil with whom we do business.

YOUR COMMENTS ARE INVITED. Write: The President, Union Oil Company, Union Oil Building, Los Angeles 17, California.

Union Oil Company OF CALIFORNIA

MANUFACTURERS OF ROYAL TRITON, THE AMAZING PURPLE MOTOR OIL