

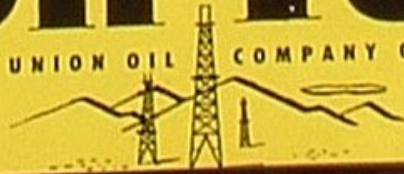


IN JAPAN *with*
Maruzen Oil Company, Ltd.

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On Tour

WITH UNION OIL COMPANY OF CALIFORNIA



On Tour



Volume 17, Number 5

APRIL 1955

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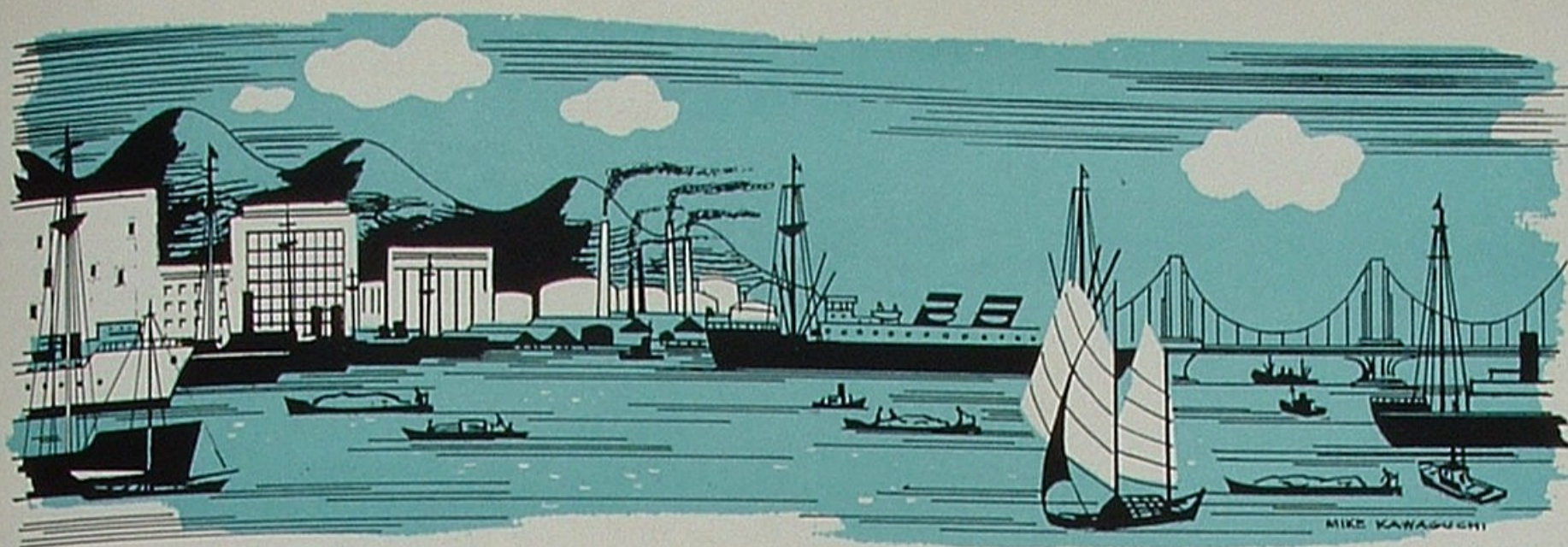
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"ON TOUR", pronounced "on tower," is an oil field expression meaning "on duty." Our magazine by that title is published monthly by Union Oil Company of California for the purposes (1) of keeping Union Oil people informed regarding their Company's operations 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

丸善石油
ガソリン





With the Cooperation of Union Oil,

MARUZEN OIL COMPANY, LTD.

Has Become Japan's Leading Independent

By Philip Fell, Manager Export Sales

IN at least 156 service stations and 32 military P.X. (post exchange) stations of Japan, Royal Triton motor oil is prominently displayed, eagerly purchased. And in the Americas, when a ship flying the Japanese flag enters port, it is a fairly safe bet she will use Union bunker fuel during at least part of her voyage.

Behind both of these favorable situations stands an encouraging experiment in international trade relations. Back in 1949, Union Oil Company singled out Maruzen Oil Company, Ltd., as an organization most likely to succeed, and have had the pleasure since of helping that concern become Japan's largest independent oil company. In return, Maruzen, as one of our foremost distributors, have demonstrated the greatest possible loyalty and enthusiasm toward us and our products.

The name "Maruzen" is traced to the founder of this Japanese enterprise, Zenzo Matsumura, who borrowed the Japanese word for ship, "Maru," and added to it the syllable "Zen" of his first name to coin a petroleum trade designation. Mr. Matsumura, still active as a consultant for Maruzen, proudly has watched the name attain stature and quality leadership throughout Japan.

The idea of founding a petroleum industry as part of Japan's industrial development first occurred to Zenzo Matsumura during the Russo-Japanese War. Being a soldier of the Army Service Corps at the time, he noticed

that Japanese weapons were lubricated with foreign-made lubricants. Why not manufacture such products in the homeland?

Soon the young ex-soldier learned why the refining of petroleum products in his country was not an easy task. Nevertheless, as early as 1909 he opened a small oil business in Kobe and diligently began studying the industry's many ramifications. It was years later, in 1922, before he managed to build a small refinery in Osaka, and not until 1929 that he imported vacuum distillation equipment from Germany and began manufacturing lubricants.

Mr. Matsumura's pioneering effort resulted in the formation in 1933 of Maruzen Oil Company, Ltd., with authorized capital of two million yen. Refineries were constructed at Shimotsu, Matsuyama and Shanghai; several small oil companies were absorbed; and Maruzen became a leading refiner of the Far East.

Allied air raids during World War II practically wiped out every oil manufacturing facility in Japan. The important Shimotsu Refinery was bombed into a mere heap of scrap iron. Matsuyama Refinery, being in an early stage of construction, suffered no war damage but was forced to remain unfinished and inoperative. Even when the war had ended, military restrictions prevented for several years the re-opening of these refineries.

With the lifting by General MacArthur in 1949 of bans that were retarding Japan's economic recovery, the Maruzen leaders began appraising their rubble heap at Shimotsu. They estimated the reconstruction problem to be enormous but not insurmountable. Their chief ob-

At left is Maruzen Oil Company's Nakanoshima service station in Osaka, rated as one of Japan's most modern. ON OUR COVER, four of the station's prettiest patrons arrive for service dressed in their native sportscar finest.

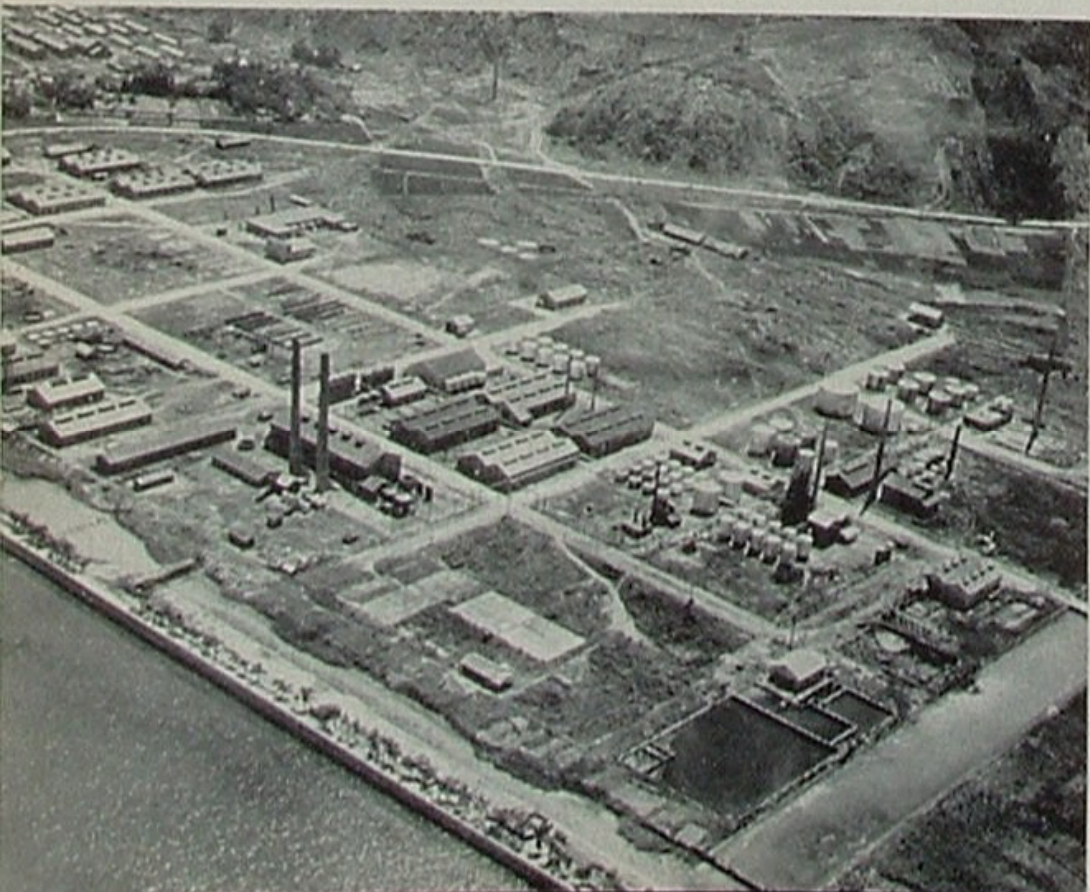
stacle was one of financing, for Maruzen chose to remain independent of foreign capital yet could scarcely hope to attract financial backing in war-impooverished Japan. Somehow they overcame every handicap.

Union Oil Company representatives who were familiar with the background of Maruzen and had high respect for the foresight and courage of its leadership, recommended a cooperative course of action between the two independent-minded companies. Maruzen needed technical advice to get their refinery program in operation; sales suggestions to create a market for their products; and at least a few shipments of crude oil to put their plans in motion. Union Oil at the same time was desirous of re-establishing our fine pre-war trade relationships in Japan. The upshot was a hands-across-the-sea trade agreement that has developed steadily and to the advantage of both companies.

Assisted greatly by Union's refinery engineers, some of whom spent many months in Japan, Maruzen have rehabilitated and modernized their large Shimotsu Refinery. It is located next to an excellent tankship anchorage about two hours' train ride from Osaka, the major industrial city of western Japan. Here in a picturesque setting of terraced hills, orange orchards and cultivated fields, some 30,000 barrels per day of imported crude is manufactured into high-quality gasolines, lubricants, burner oils and other petroleum products. Included in the refining facilities is a modern fluid catalytic cracking unit. And projected for construction in the near future are units for the production of petrochemicals—Japan's initial bow in this field.

In another beautiful setting overlooking Japan's world-famous Inland Sea, Maruzen's Matsuyama Refinery started operations in 1952. Beginning with an initial crude oil throughput of 4,000 barrels per day and emphasizing fuel oil production, this plant soon was expanded to a daily capacity of 9,000 barrels. Matsuyama Refinery was the object of world-wide interest in 1954, when the Armed Services Petroleum Purchasing Agency

Maruzen's Matsuyama Refinery, located by the Inland Sea, escaped war damage due to being uncompleted. For the past two years it has produced fuel oil and jet fuels.



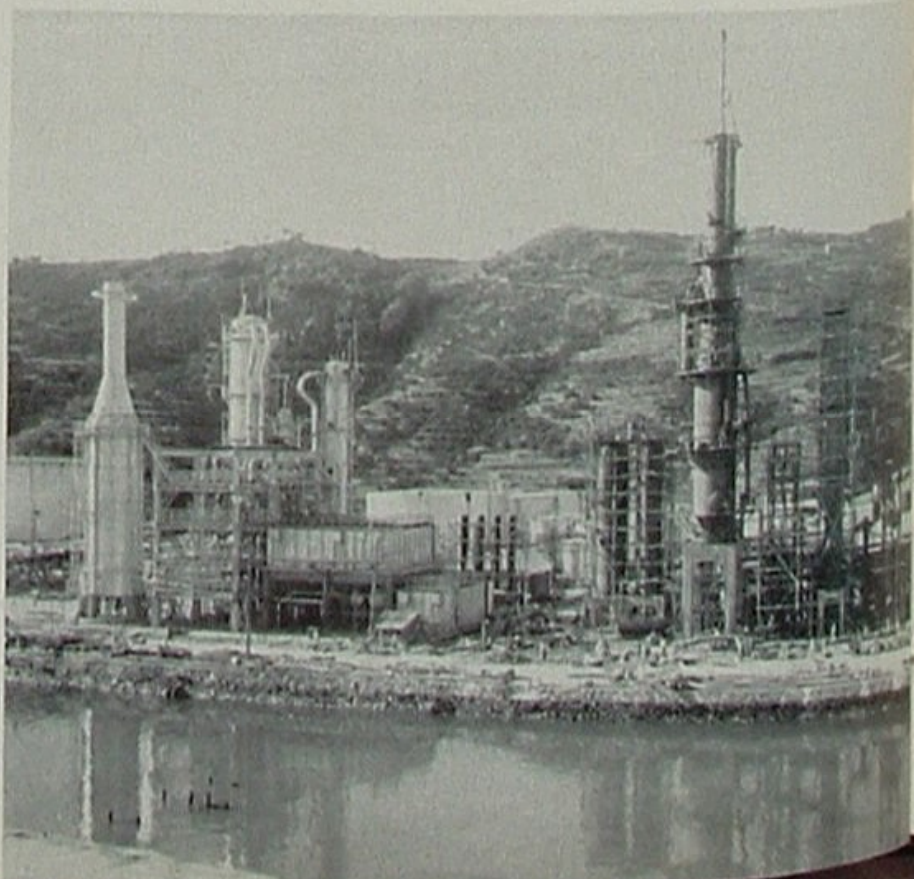
of Washington, D.C. awarded it a contract to supply jet fuels for U.S. military terminals in western Japan. The contract was hailed throughout Japan as an example of American-Japanese economic cooperation.

Union Oil Company's sales methods were borrowed to some extent in forming Maruzen's effective marketing organization. A large office building in Osaka became their head office in 1954, while at Fukuoka and Tokyo district offices were established. Petroleum products manufactured at Shimotsu and Matsuyama are transported through 54 tank farms to about 200 dealers scattered throughout Japan. In the metropolitan areas of Tokyo, Osaka and Kobe are 12 Maruzen-operated service stations, all of which compare favorably with our California version and proudly display Union's 76 along with the "Swalol" insignia of our distributor. This marketing network has increased its sales about one million barrels annually since 1950; is supplying nearly 10 per cent of the Japanese market; and, with four grease factories, is providing nearly 25 per cent of the grease sold in that country.

Courtesy, gratitude and integrity long have characterized the Japanese in their commercial dealings with other people. Union Oil anticipated such high-minded conduct on the part of Maruzen personnel back in 1949. Certainly we have not been disappointed. Without being bound by more than a moral obligation, our Japanese distributors have returned kindness for kindness and today seem quite as eager to promote our success as their own.

For example, Royal Triton is given prominent display advantages in Maruzen marketing outlets despite their seemingly natural desire to favor home-manufactured brands. Furthermore, such a good sales job has been done in the Post Exchanges that a recent survey showed 80 per cent of the customers preferring Royal Triton. Total sales of this product in Japan have more than doubled each year since 1952, amounting to a 451 per cent increase.

Their rebuilt Shimotsu Refinery in western Japan includes this modern fluid catalytic cracking unit. The nearby sea and orange groves provide a setting of great beauty.





In the role of Union Oil distributors, Maruzen have achieved outstanding success. Above, Japanese businessmen attend an oil seminar; and, below, interpret our oil story for a prospective customer. At right, a pretty "Minute Maid" brightens up the Union Oil display seen in every Maruzen service station.



The rapid revival of shipping and ship building in Japan has been paralleled by an improvement in our bunker oil sales, thanks to solicitations in Japan by Maruzen Oil.





K. Wada, President



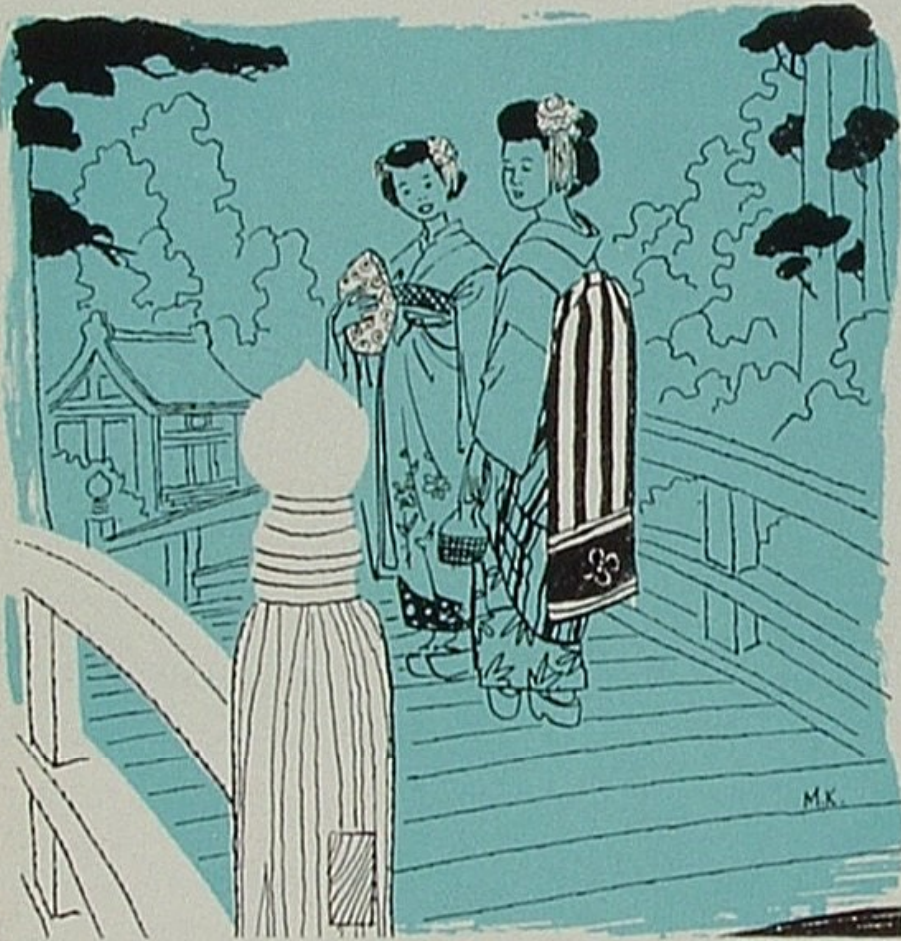
*Y. Iwase, Managing Director,
Osaka*



*M. Nambu, Managing Director,
Tokyo*



*I. Kagehira, Managing Director,
Osaka*



Shown at home in Osaka are, foreground, President and Mrs. Wada with, from left, their sons Tatsuo and Takeshi, their daughter Tazuko, and their daughter-in-law Sanae.



*H. Ueda, Director,
Manager Tokyo Branch Office*



*Y. Wakisaka, Director,
Manager Shimotsu Refinery*



*C. Kato, Director,
Manager of Engineering*



*S. Kurata, Director,
Manager Tokyo District Office*

Of even greater importance is the volume of Union bunkering services that have been instituted largely through the initiative of our distributor. Maruzen have been successful in getting Union bunker fuel contracts signed by 11 of the largest shipping companies in Japan, including the swiftly reviving NYK and OSK lines of great pre-war importance. As a result, our bunkering business in ports of the U.S., Canada, Canal Zone, South America and Honolulu has benefited to the extent of several million barrels.





*H. Osaka, Managing Director,
Osaka*



*E. Ochiai, Managing Director,
Osaka*



In Los Angeles, Managing Director M. Nambu confers with Assistant to the President W. Posch and his secretary, Betty Ishizaki, who represent Maruzen here.



*M. Kawamura, Director,
Manager of Accounting*



*S. Sugimoto, Director,
Manager of Sales*



Representing Union Oil Company in Japan is W. E. "Red" Thompson of our Export Sales Department, seen here inspecting Company products arriving from Oleum Refinery.



*Y. Tsubota, Director,
Manager Matsuyama Refinery*

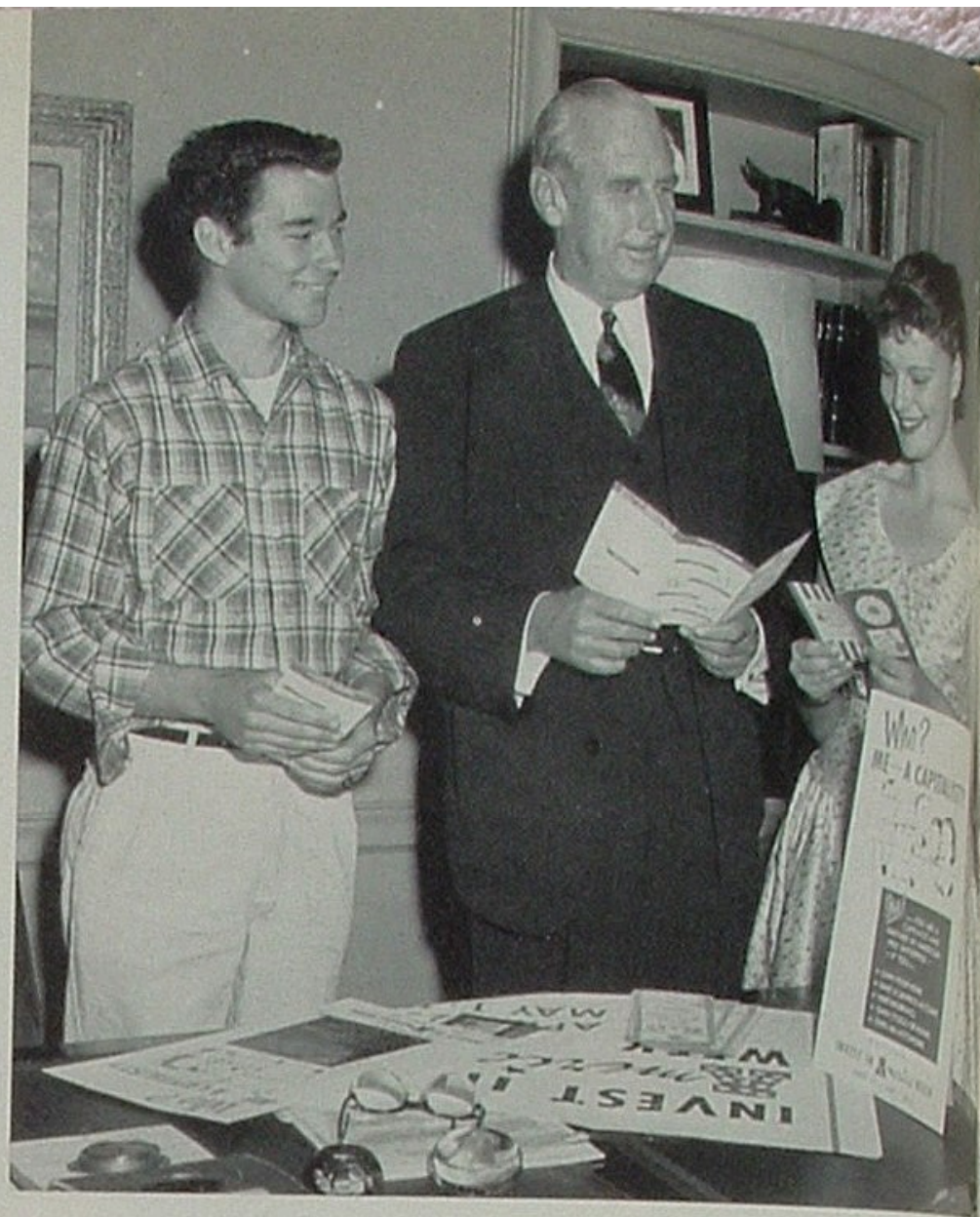
The head office of Maruzen is located in Osaka, principal industrial city of western Japan.

Happily some of the greatest advantages of this business relationship are counted in values other than barrels, dollars or yen. The years of constructive association here and abroad between the peoples of Maruzen and Union Oil have heightened our understanding, appreciation and respect for each other. East and West have met and found their meeting mutually advantageous. Therefore, we are sincerely proud to introduce herewith some of the Maruzen leaders who, while raising their industry out of war's ruins, have merited our admiration.



Receiving "Invest in America Week" data from National Chairman Reese H. Taylor are Mike Scott and Christine Drewek of Junior Achievement Business Center, Burbank.

**UNION OIL PRESIDENT
LEADS ENTIRE NATION
TO AN AWARENESS
OF EACH CITIZEN'S
OWNERSHIP ROLE
DURING**



Invest in America Week

A great responsibility and honor was impressed upon the president of Union Oil Company with his acceptance of the chairmanship of "Invest in America Week." As the leader of this nationwide effort to broaden everyone's economic understanding, Mr. Taylor timed most of his informative programs to take place between April 25 and May 1. In that short space of time it was his job to reach every American with the important fact that each is to some degree an owner of this land's great resources.

The National Chairman addressed all America as follows:

"President Eisenhower has emphasized: 'Our free enterprise system is faced today with the gravest challenge in our entire history. We have to deal not only with the forces of Communism from without but also, and I consider it fundamentally even more serious, a lack of understanding of the American system among our own citizens. Through better understanding of the meaning of free enterprise we can fashion our most powerful weapon against Communism.'

"What more worthy challenge is presented to the people of America than this one by President Eisenhower? We should all examine carefully what our share in America is and what this means to individual opportunity and advancement in this country.

"We are all shareholders, one way or another, in our capitalistic system whether it be through our jobs, home ownership, savings, insurance, stocks or bonds. We have a definite stake in the American way of life which has provided this nation with such a high standard of living.

"Our economic system of private enterprise makes it possible for an employee who saves to engage in business for himself, thus becoming an employer helping others to earn a living, also.

"Many who do not actually start their own business are enabled to join hundreds and thousands of others as owners of a bigger business through purchase of common stocks.

"Let us constantly remind ourselves and those around us of what makes it possible for each of us to own a share in America—the American Free Enterprise System."

(Signed) Reese H. Taylor,
National Chairman

Picked up by civic organizations, service groups, business clubs, schools, industry, and professional associations, this vital truth was borne home to millions throughout the breadth of our land.

OLEUM'S EARLIEST KNOWN VISITOR WAS

A MASTODON

From Clyde Morton

ON March 31, while excavating the site for a new storage tank near our Unifining-Platforming Unit, workmen discovered an object resembling an elephant's tusk. It was about eight feet in length, six inches thick near the base, and appeared to antedate any circus that might have passed through during the gay 90's.

The University of California at Berkeley, when advised of the find, dispatched several paleontologists. Dr. R. A. Stirton, chairman of the Department of Paleontology, promptly identified the crumbling fossil as a mastodon tusk. The mastodon, ancestor of the elephant, once ranged from the Arctic Circle to Southern California. It was contemporary with the mammoth or "hairy elephant" whose flesh has been found preserved in Arctic glaciers. Both species were extinct long before the beginnings of recorded history, and Dr. Stirton estimated that this first known visitor to Oleum may have trumpeted his interest some 250,000 years ago. While the tusk was being put into a cast for removal, Dr. Stirton explored the nearby ground and found two mammoth teeth also. He explained that such finds were not uncommon in this area.

The tusk, when restored and mounted at the University, will be on display at Oleum. Later it will be made available for museum display.



The site of a new storage tank to be erected near Oleum's new Unifining-Platforming Unit has yielded a 250,000-year-old mastodon tusk, seen uncovered in foreground.



At left Clyde Morton examines the tusk prior to its removal and restoration by U. of California paleontologists.

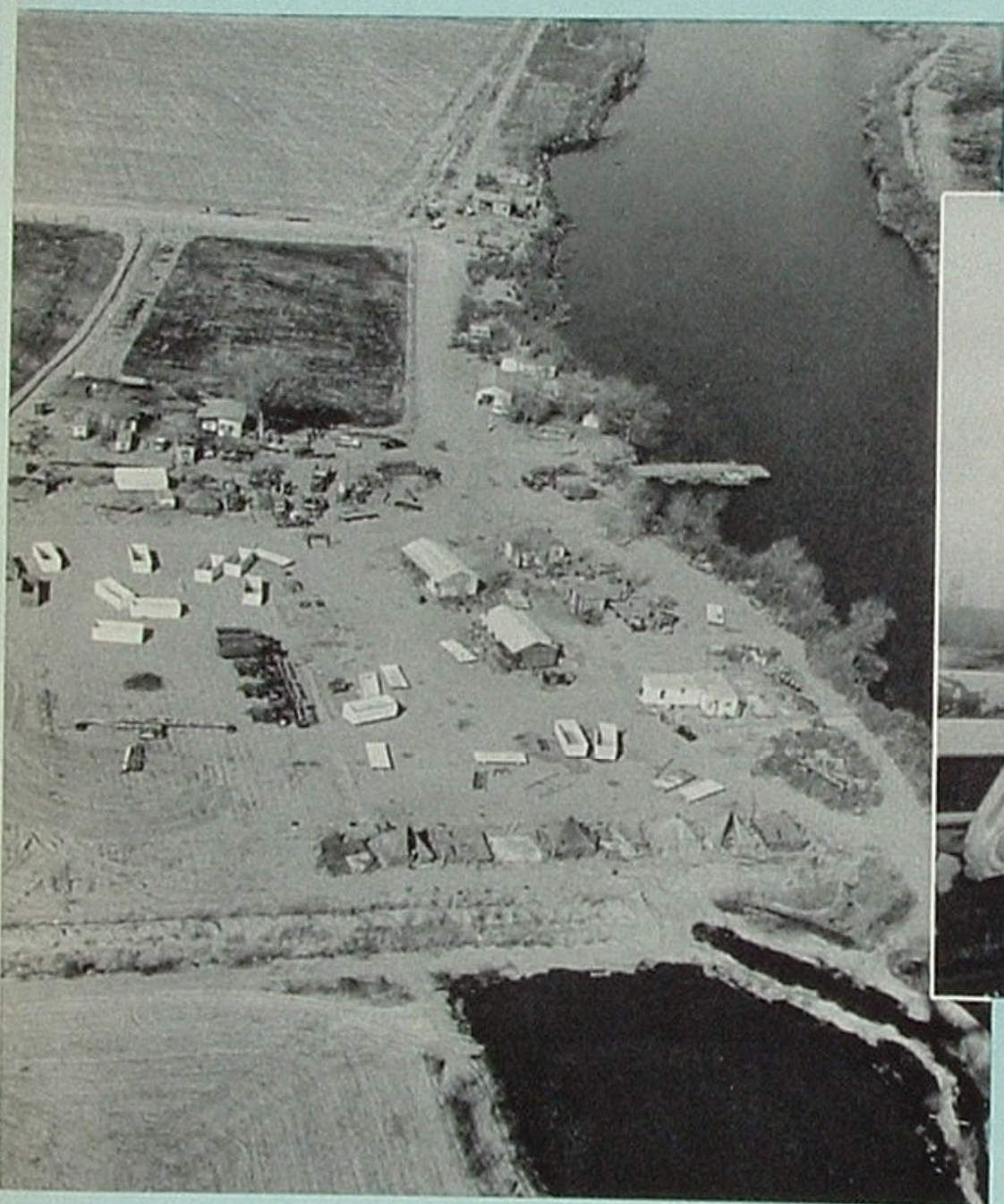
THANKS TO MACHINES, OIL
AND YANKEE ENTERPRISE

They've Conquered Cibola Valley

By Dumont Kimmell, District Sales Manager



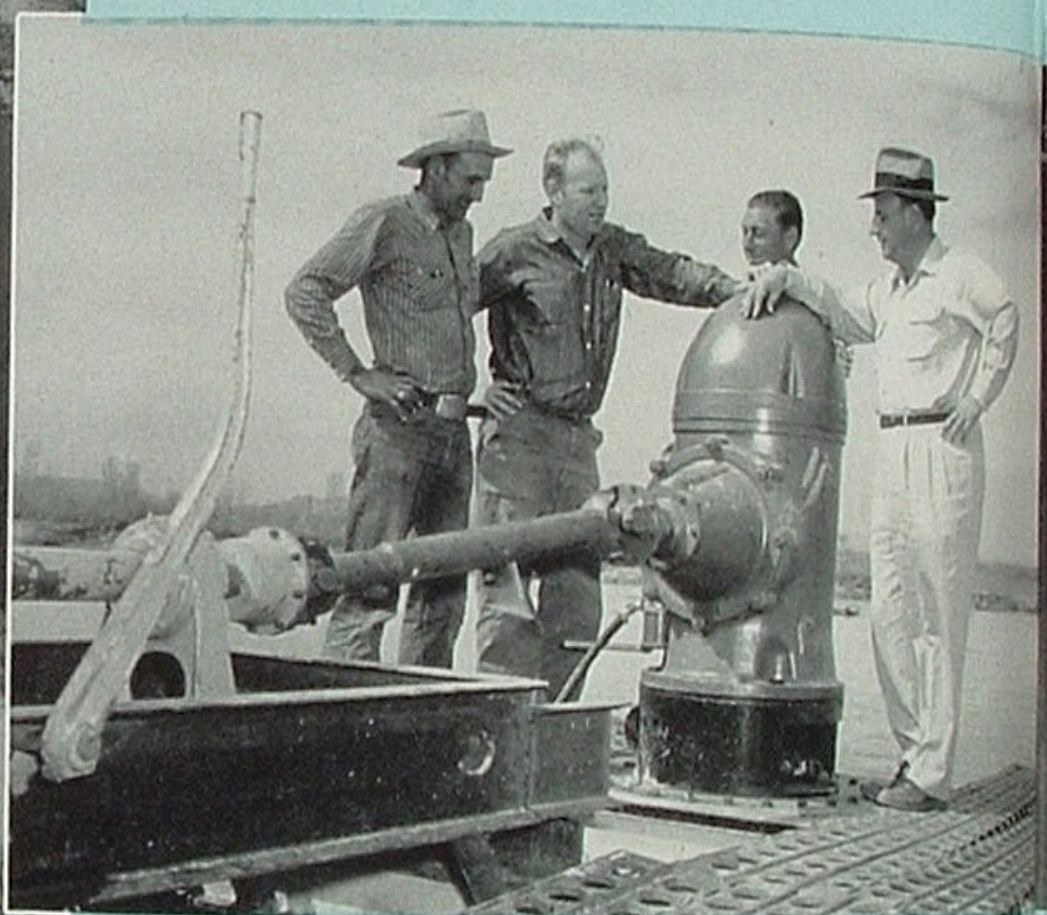
Tough salt cedar and other flood-land vegetation have turned prospective farmers back from Cibola for a century. But modern tractors are clearing the land at \$200 an acre.



Center of Cibola Valley land clearing operations is this Dallas Cox tractor corral 20 miles downstream from Blythe.

On hand to plant a first crop, cotton, in the rich virgin soil are Lessee Ralph Clayton, right, and his foreman, Ed Rogers. They're counting on better than two bales to the acre and prefer to farm independent of price supports.

At extreme right our District Sales Manager Dumont Kimmell, Mrs. Dickman, and Consignee John Dickman are attired for a day of dusty sales work at the clearing site.



Major operators in the Cibola conquest are, from left, Dallas Cox with partners W. Y. Murphey, L. A. Crews and J. B. McCain of Desert Land Company, who together will account for nearly 6,000 acres of rich new farm land.





This current-powered ferry takes men and equipment to clearing operations on both sides of the Colorado River. Its profits also keep the access road open to Blythe.



Blythe businessmen, from left, J. N. Savage, Mayor A. G. Alexander, John Dickman and Banker M. C. Wells have provided the tractor men with supplies and financing. (Note the bank's cattle brands, burned in by invitation.)



NO one except a few stout-hearted, frontiersman-type men has ever tried to wrest a living from Cibola Valley. And, during the first hundred years, there is no record that any of the hardiest made what you might call a *go* of it. The few who succeeded in clearing a patch of ground and raising a crop of hay usually reached the exhaustion stage after one or two growing seasons. If the enormity of the task itself didn't defeat them, generally the Colorado River would overflow its banks and bury their accomplishments under a fresh layer of silt. "Give it back to the Indians!" was the prospective settler's usual parting cry, even though the Indians never had much regard for Cibola Valley either.

All of this was prior to 1951 and the arrival of modern petroleum-powered land clearing equipment. In that year three Arizonians—Kenworth, Manley and Smith—formed the United Farms and began machine-clearing 200 acres of Cibola Valley for cotton planting. Their survival rather than success attracted others in 1952, including Dallas Cox, Robert Betchel, Jack Wright, Lester Palmer, Carl Self, Ray Brantley, Luke Walker and F. G. Watkins. Then in 1953 came Joe D. McCain, W. Y. Murphey and L. A. Crews, who formed the Desert Land Company and assigned some 50 *cats* to the job of clearing 3,700 acres.

Today, under a pall of dust and smoke, this 25,000 acre expanse of former river bottom and wildecat thicket is undergoing a miraculous transformation. Brush, so thick in places a man can't walk through it, is being swept away. Level fields are taking the place of river-made knolls and swales. Far upstream, Hoover Dam and other river controls are effectively halting annual flooding along the lower Colorado. Within a year or two one of America's most defiant frontiers will blossom into one of our richest garden spots.

Chances are you've never seen Cibola Valley. It straddles the Colorado River 20 miles downstream from Blythe, California. Part of it is in the state of Arizona, part in the state of California—and a third part in the state of confusion, because the river boundary line between Arizona and California changed its course several years ago, stirring up quite a complex title problem.

To reach the center of clearing operations—as Union Oil Consignee John Dickman does one or more times daily with his tank trucks—you rattle along 16 miles of rough and dusty road, definitely unrelated to your gasoline tax dollars, and run smack-dab into the Cibola Ferry. The ride puts you in an excellent state of mind to pay a 50-cent ferry charge, for all profits from the river transport are currently keeping the road open while government highway agencies make up their minds. Once across the river, you forget about asphalt entirely. Here begins the jungle of brush, smoke and dust through which even a pair of Jeep tracks looks somewhat macadamized.



One of the diesel-powered tractors used effectively in Cibola Valley is equipped with a rake forward to bulldoze the covering of brush, and a self-sharpening knife (shown below in raised position) aft for shearing roots three feet deep.



Arriving early in the morning, you're able, when introduced by Johnny Dickman, to distinguish between the faces of his four 100 per cent Union Oil customers—Cox, McCain, Murphey and Crews. Later in the day, everybody takes on the same dust-coated anonymity. But the daily accumulation of grime emphasizes rather than hides the drive and enthusiasm of these men. Their temporary hardships and sacrifices, you sense, will be more than redeemed by tomorrow's rewards.

To see how Cibola Valley is being conquered is to stimulate one's pride in the greatness of America:

Here grim-faced men aboard powerful tractors are waging the victorious battle. In swaths a dozen feet wide they are ripping off the tough, primitive cover of salt cedar, mesquite, willow and arrowweed. As fast as you can walk, an immense steel blade is pulled along three feet underground, permanently subduing the deeply entrenched roots. Broad diesel-powered rakes push the debris into piles or windrows; a few days later it is sprayed with oil and burned. Giant earthmovers lumber in to *cut* here and *fill* there in compliance with surveyors' orders painted on a system of stakes. Then come land planes to give the fields a billiard-table smoothness; bulldozers to raise up the banks of an irrigation canal; and, before the dust has hardly settled, farm equipment to sow the first crop. Within weeks, the former jungle of salt cedar and mesquite becomes a well disciplined expanse of cotton plants and garden produce—additional food and clothing for thousands of expected newcomers to the Pacific Coast.

Men tried for a century to conquer Cibola Valley but failed. That others are succeeding today is a tribute not only to the victors but to thousands of people in business and industry whose machines, products and savings are making the accomplishment possible. The predominant part being played by Union Oil fuels and lubricants in this instance means that we too should share in the satisfaction of this worthwhile achievement.



Tractor driven rakes push the uprooted brush into piles or windrows, above. Later the debris is sprayed with oil and carried away by one of man's oldest servants—fire, below.

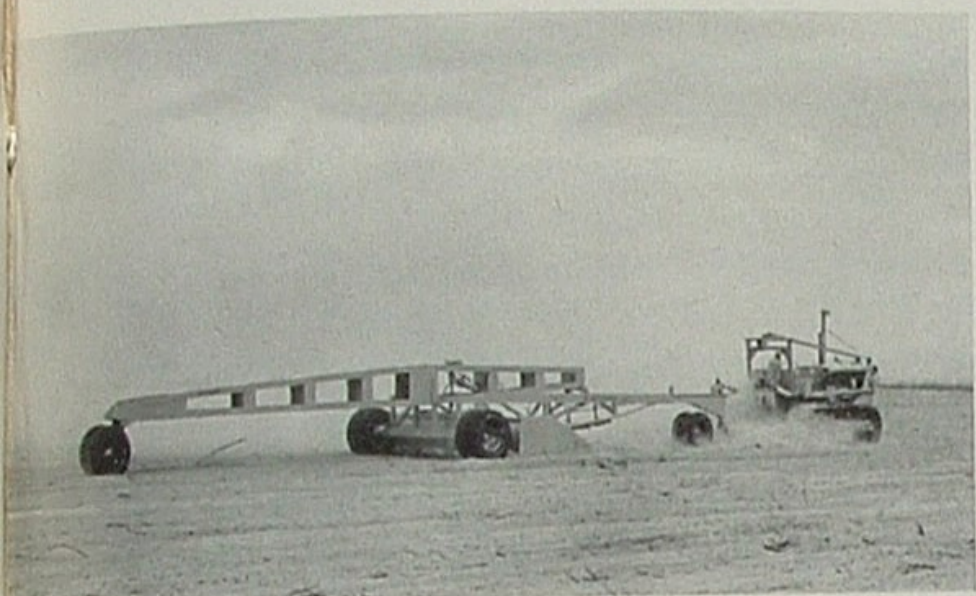




The only hand labor needed on this project is used to clear away roots and branches missed by the fire and rakes.



Large earthmovers invade the brush-cleared, fields to cut and fill uneven ground marked by rows of surveyors stakes.



Then come land planes to give each field the proper smoothness and drainage slope for efficient irrigation.



The canal being built, upper right, brings ample water, above and below, to make the rich sandy-loam soil yield bumper crops of cotton, grain and other farm commodities. At right cultivated fields begin their useful career even as distant dust and smoke columns foretell the full conquest of Cibola Valley.





INDUSTRIAL SUMMARY

● MANUFACTURING

On April 13-14, 1955 the Manufacturing Department held a technical review, at which time the managers of our seven refineries reviewed their 1954 operations. An essential part of these meetings was a discussion of the many problems associated with petroleum refining and a general interchange of technical information. A number of talks were given by members of the Marketing, Treasury and Research Departments, covering long range forecasts of raw material availability, the demand for petroleum products from the standpoint of both quality and quantity, the operation of new process units built under the MP-30 program, and new refining processes.

from K. E. Kingman

● TRANSPORTATION & DISTRIBUTION

After 10 years of service, principally in the crude oil coastwise trade, the SS SANTA PAULA was retired from the Company-operated tankship fleet and returned to her owners on March 18, 1955. However, we have chartered the service of this ship on an individual voyage basis for an additional 60-day period to provide required carrying capacity until completion of the new Torrey pipe line.

The design of automotive equipment for use by the several Company departments is under continuous review to insure that the best equipment is secured for operating requirements. Units of new design or equipped with improved accessory equipment are subjected to rigid tests to achieve this objective. Some of the items presently being tested are compression brakes, which use engine compression for braking vehicle momentum; turbo-chargers for more efficient fuel consumption and minimization of exhaust noise and vapors; engine conversions, which permit the use of liquefied petroleum gas as fuel in engines designed for diesel fuel; and simplified delivery systems on marketing trucks. Each

design change or improvement must comply with governmental regulations and conform with Company public relations policy.

from E. L. Hiatt

● FIELD

The Field and Exploration budget of expenditures has been revised to provide for three exploratory and development projects which were not firm when the 1955 budget was originally prepared:

A sizeable development drilling program has been launched in the South Drickey Queen area, Chaves County, New Mexico. The Company has some 2,500 acres of leases located on a trend of shallow, profitable production extending southward from the main Drickey Queen Field. Active and successful exploratory operations have extended the producing area to encompass a number of Company leases. Our first two wells to be drilled under this program have been completed successfully.

The Company has embarked on an exploratory project in the northwest portion of the Anadarko Basin, located in the Texas and Oklahoma Panhandles. Principal objective in the play is the Morrow Sand, highly productive of gas in this general area. It will be a joint operation by our West Texas and Oklahoma Divisions.

Decision has been made to enter the field of exploration on a selective basis in the tidelands area of the Gulf of Mexico. Although drilling in these tideland waters will be a new experience for the Company, the area has been under intensive geologic study for some time and much preliminary exploratory work has already been done. It is not anticipated that drilling operations on the initial prospect will get under way before fall of this year.

from Sam Grinsfelder

● PURCHASING

With basic steel production operating at over 90 per cent capacity, some increased lead time is required to assure ourselves of places in mill schedules. The situation, which is being watched closely by Purchasing, necessitates

placing orders for tubular goods far enough in advance to secure delivery as required.

During the past year, steel warehouses have been able to build up their inventories of the more commonly required steel products. At the present time these supplies are ample for our day-to-day out-of-stock purchases. Some steel warehouses report delays in replenishing their stocks, but this situation does not warrant a build-up of inventories. The situation does call for a continuation of close cooperation between Purchasing and all operating departments in order to avoid rush orders. A realistic required date should be furnished on all requisitions.

from C. S. Perkins

● RESEARCH

All employees of the Research Department recently gathered to participate in a review of the past year's operations and to discuss department plans and objectives for the future. On this occasion the National Safety Council presented the employee group with the Award of Honor for having worked more than three million manhours without a lost-time accident.

The Stearns-Roger Manufacturing Company of Denver has been selected as engineering contractor in connection with the construction of our shale demonstration plant to be located in Garfield County, Colorado. This plant will include a 1,000 ton per day Union shale retort, and is part of the board research program now being carried on by the department to permit an evaluation of the profitability of developing the Company's extensive oil shale properties.

Construction work on additional office and laboratory facilities at the Research Center is proceeding on schedule. Completion of this project, scheduled for late in 1955, will permit the consolidation of departmental activities at Brea.

from Fred L. Hartley

● MARKETING

A five-year contract has been awarded to Union Oil Company covering the gasoline requirements of Pacific Army Air Force Exchange service stations in the Territory of Hawaii. Union will construct, for account of the Exchange, a new service station at Fort Shafter and will modernize the existing station at Hickam Field.

Our marketing expansion in the Salt Lake District has been supplemented by the addition of a new dis-

At the April 12 organization meeting of the Board of Directors, Max Lorimore, right, was elected Comptroller of the Company. He succeeds Irving J. Hancock, former Comptroller-Treasurer, who was re-elected Treasurer. C. M. Gjerde was elected an Assistant Comptroller and E. W. Cairns an Assistant Secretary.



tributor at Heber City, Utah. Public acceptance of our products in this expanding area has resulted in remarkable growth. Sales so far in 1955 have shown increases in excess of 100%.

More than 125 independent distributors are now marketing our branded lubricating oils and greases in the Eastern Continental Territory as compared to 75 one year ago. Sales to car dealers, service stations and commercial users are growing in proportion to the growth of our distributor organization. March 1955 sales exceeded those of any month in 1954.

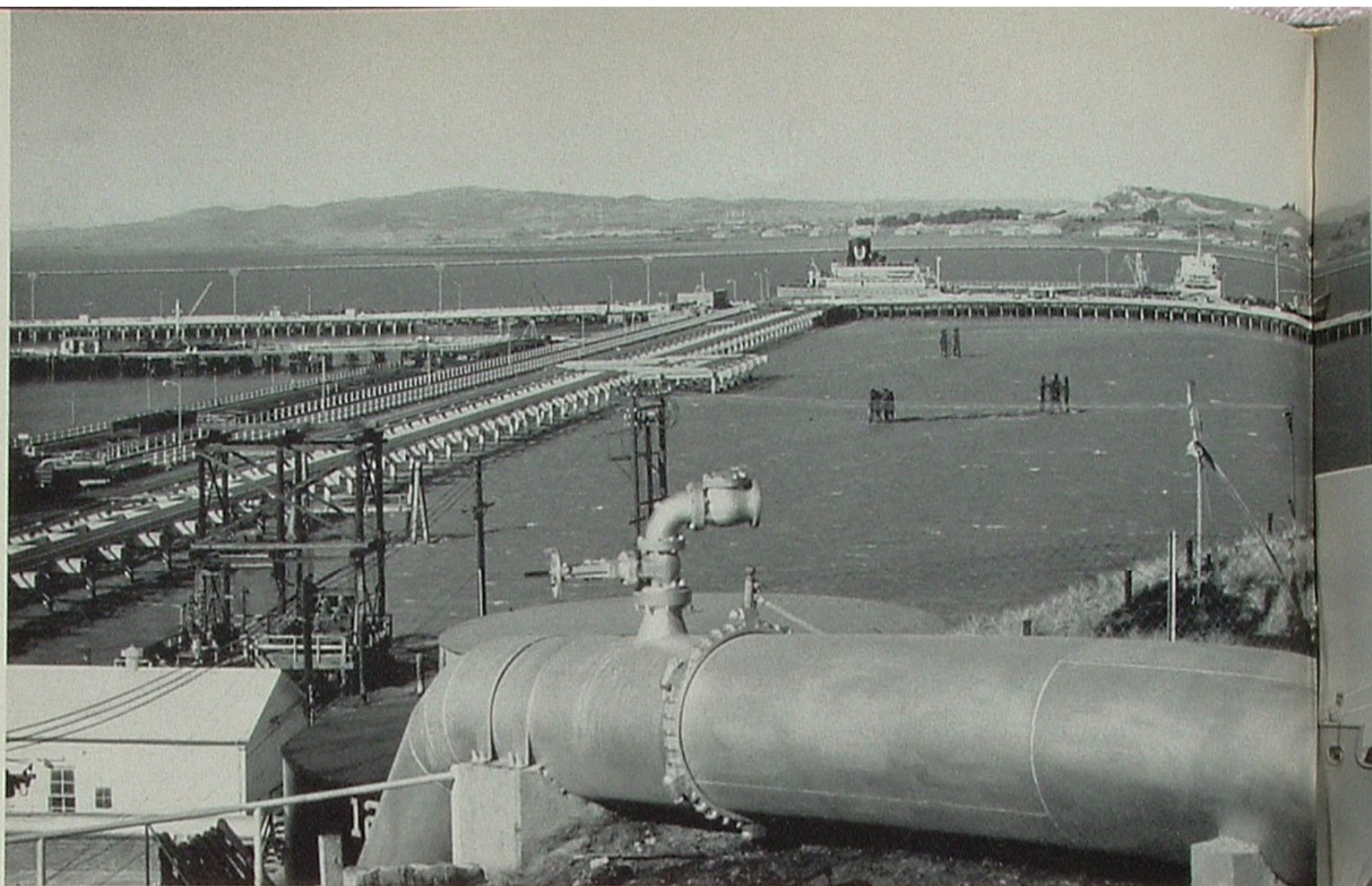
Last year the Company prepared and distributed a special freeway map for the Los Angeles area. Because of the success of this service, we are preparing a similar type map of the San Francisco Bay area for distribution this month.

from Roy Linden

● INDUSTRIAL RELATIONS

Why has the Consumer Price Index, the Labor Department's statistical measure of the cost of living, all but disappeared into the remotest corner of your newspaper? Simply because the index has shown remarkable stability during the past six months, and stability isn't news. It is true that certain components of the index have shown fluctuations; rental and medical costs, for example, are still increasing, as they have since World War II. But such increases have been offset in the past 2½ years by cheaper food and transportation. The Consumer Price Index, which began to rise in 1950 and reached a peak in 1953, hasn't changed at all for four months. Its present status—114.3% of the 1947-1949 base—is identical in fact to what it was in October, 1952.

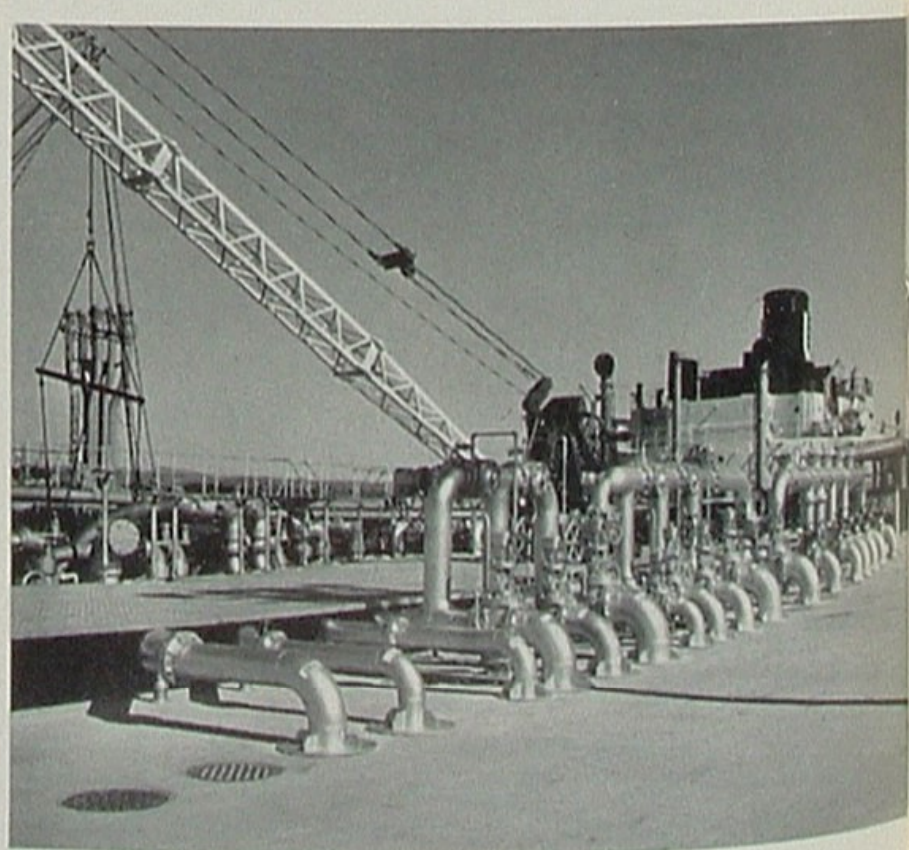
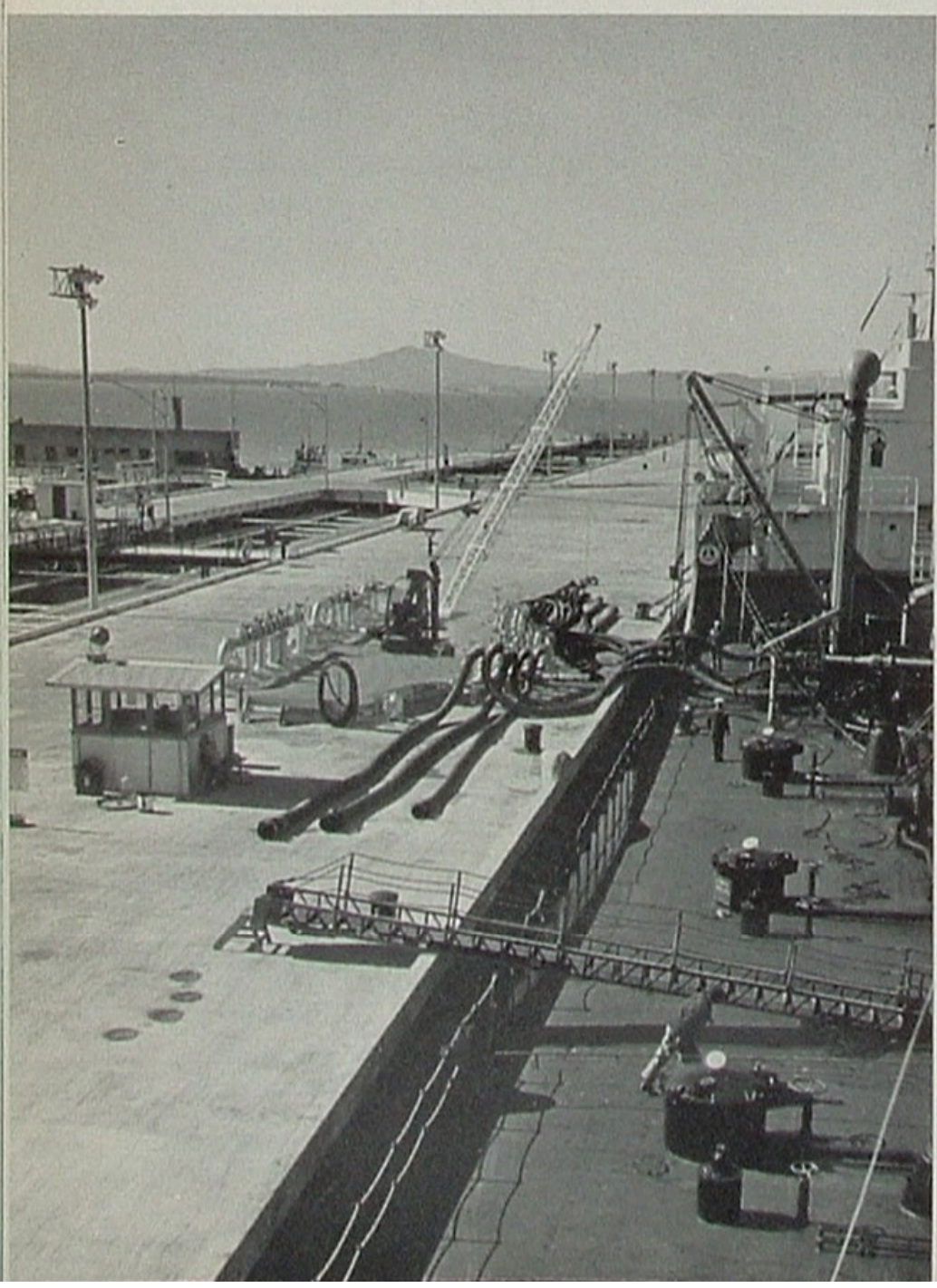
from W. C. Stevenson



Two large tankships and five barges can be accommodated simultaneously along the outside and inside faces of Oleum Marine Terminal's new fireproof wharf.

At left can be seen the wharf decks, 65 feet wide on the tankship side, 25 feet wide on the barge side, with an open 46-foot pipeway separating the two.

Below is one of the tankship loading manifolds, so interconnected that all commodities of a given type can be diverted through any loading line in the group.



New Oleum Marine Terminal

EVOLVES OIL CARGO HANDLING INTO PUSHBUTTON OPERATION

By P. H. Wilson, Supervisor of Construction



Honor of being the first vessel to use these new terminal facilities fell to the Union Oil tankship PAUL M. GREGG, whose heaving line is seen just before contact with wharf.

Welcoming Pilot T. R. Fisher and Captain K. O. Meyer of the GREGG are Construction Supervisor P. H. Wilson and Superintendents V. H. Taylor and M. S. Thomson of Oleum.

THE destruction by fire in 1952 of our former wooden wharf at Oleum Refinery was productive of certain advantages. It brought about the construction of a new one that practically eliminates the danger of fire damage and in many other ways is proving vastly superior for the handling of petroleum cargoes.

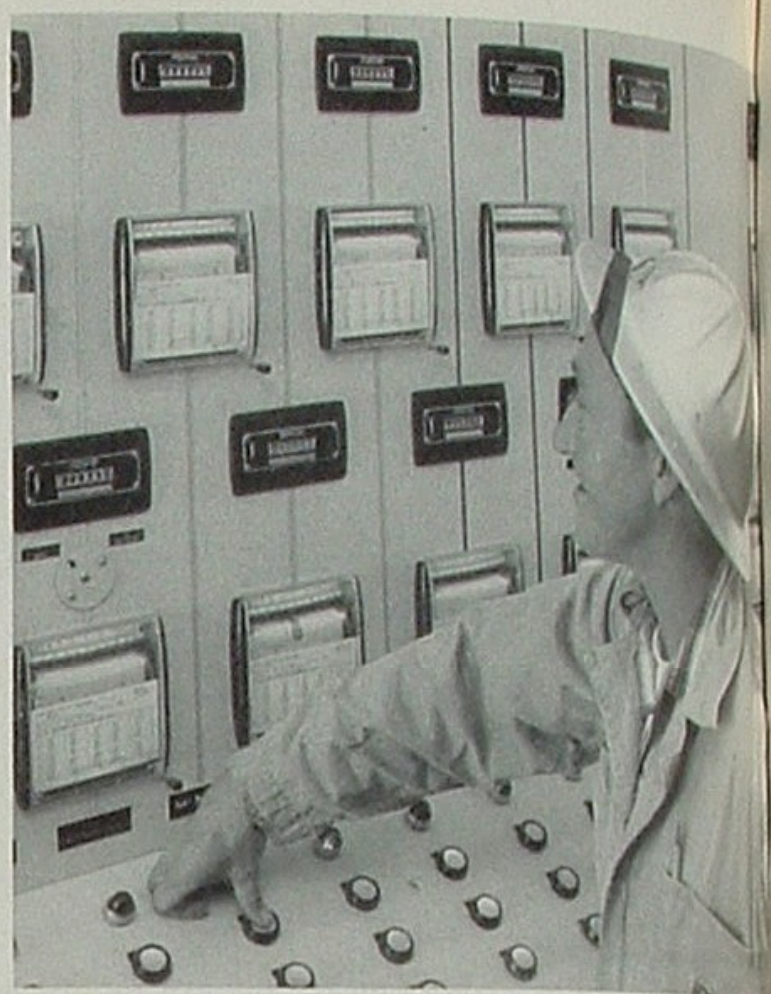
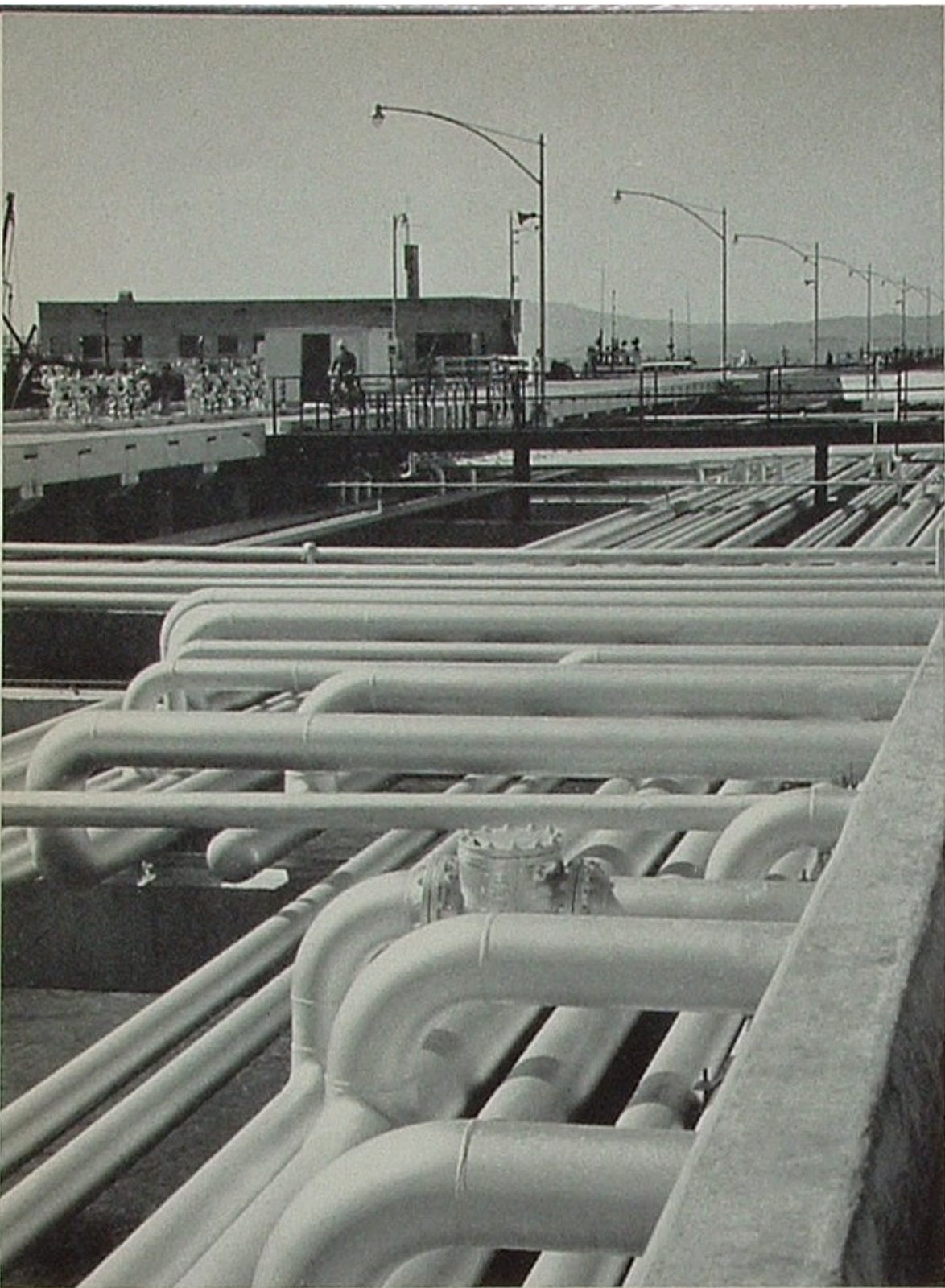
Connected to the shore by a 1,678-foot causeway, the new wharf extends 600 feet farther out than its predecessor. This location provides ample water depth to accommodate the largest Pacific tankers and, it is expected, will eliminate the need of periodic sand dredging. The wharf section itself, paralleling the current of Carquinez Strait, is 1,250 feet long, or long enough to serve two tankers at a time on its outer face and five barges on its inner face. With the exception of a wooden bumper strip to ease the contact of moored vessels, both causeway and wharf are constructed with fireproof materials. Their concrete decks and steel pipe lines are supported by 1,325 reinforced concrete piles each ranging in length from 100 to 106 feet. In addition 278 *batter* piles, each 115 feet in length and jacketed with a gunite coating of concrete, are driven at an angle between concrete piles

to resist horizontal docking stresses. If placed end to end, the piles driven during this single project would extend approximately 30 miles.

Deck areas are clean, uncluttered and spacious. The causeway consists of a 22-foot wide concrete road alongside a 55½-foot wide pipeway. The wharf has a 65-foot wide deck on its tankship side, a 25-foot wide deck on its barge side, and a 46-foot wide pipeway between. Pipe lines are left exposed to facilitate installation of additional lines, repairs, painting, and detection of leaks.

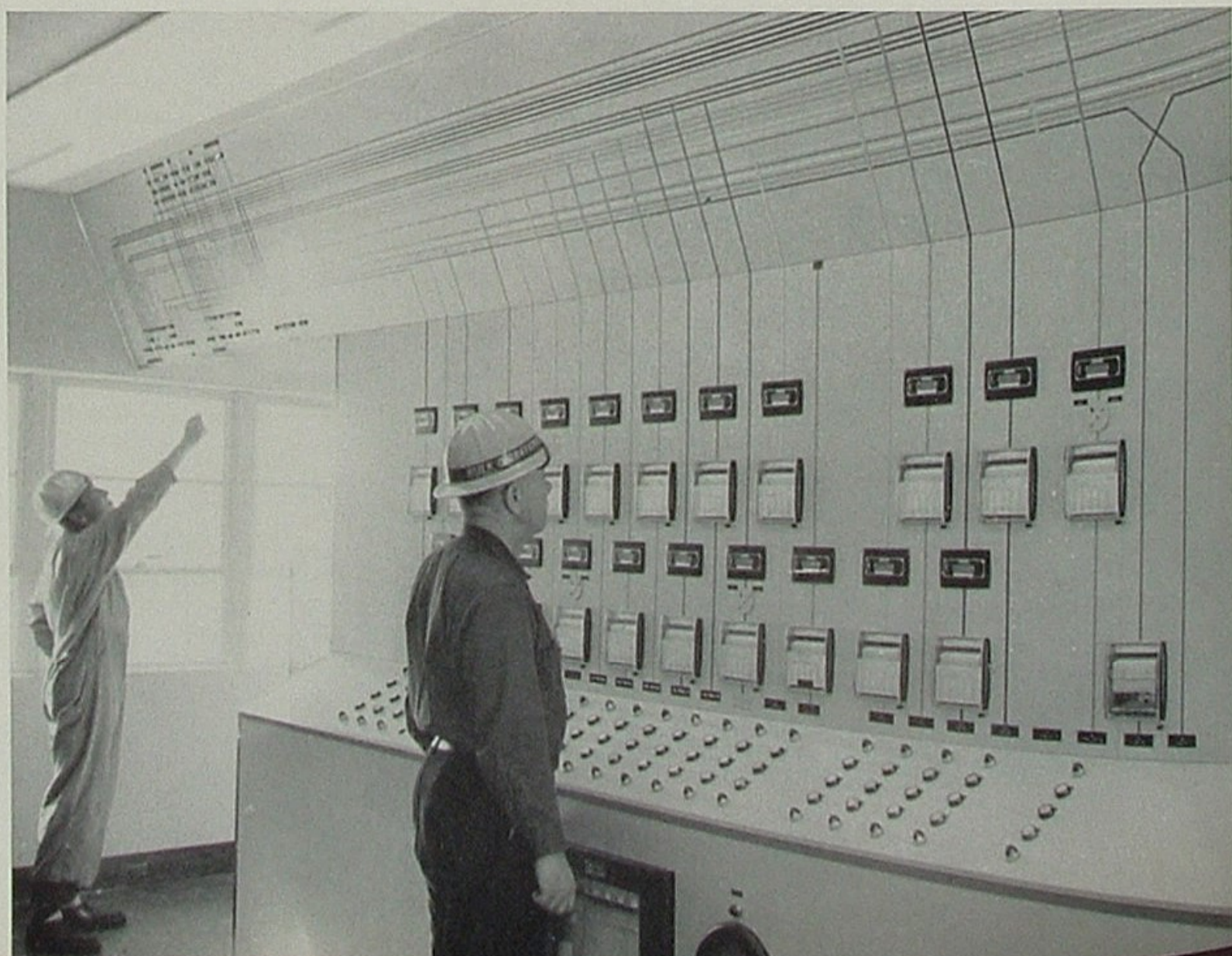
Piping so far installed at this new terminal consists of 25 separate lines ranging from three to sixteen inches in diameter and totaling over 15 miles in length. Separate systems of lines of course handle black oils, gasolines and mid-barrel products, but each system is so intricately manifolded that all black oils, for example, can be loaded in turn through any one of the black oil outlets. This arrangement minimizes time-consuming changes of hose connections when the loading of a different commodity is ordered.

The manual system of loading-hose handling is now largely *passé* at Oleum. In use are electro-hydraulic



At left, Oleum Marine Terminal's open pipeway offers maximum convenience for detection of leaks, repairs, painting, and installation of new lines.

All bulk cargo movements on the wharf are controlled by pushbuttons (above) which govern electrically-operated valves on each line. Below is seen the control-house graphic panel with its controls, instruments and pipe line replica, by means of which one wharfinger can govern all loading operations.



cranes, one a mobile unit to service the barges, by means of which a single operator can swing a hose aboard the tanker and spot it for easy connection by the vessel's deck crew. Instead of having to be drained after each use, the hose, equipped with an *aluminum butterfly* valve at its discharge end, is left full of oil and handled with ease by the crane.

Lubricating oil shipments are handled ingeniously through a single line. The line consists actually of a continuous loop extending from the refinery's pumphouse out to the various loading stations and back again to the pumphouse. Inside the line is a traveling device known as a *pig*. If oil of a different kind than that in the line is to be pumped aboard, it is admitted just after the *pig* has passed the inlet point. All oil ahead of the *pig* is drained off into its appropriate refinery storage. When the *pig* has made a complete circuit of the line, all the oil behind it is of the type to be loaded. An operator in the pumphouse thereupon begins delivery to the tankship of the designated oil in the quantity wanted.

The loading of other marine bulk cargoes at Oleum is governed entirely from a centrally located control house on the wharf. Here the chief wharfinger works in front of a large graphic panel whose system of colored lights shows the open or closed position of every valve on the wharf. Loud-speakers in the control room, speaker-microphones at each of the wharf's seven loading manifolds, and portable speaker-microphones for use aboard ships provide a two-way *intercom* system through which the wharfinger can receive and issue verbal instruc-

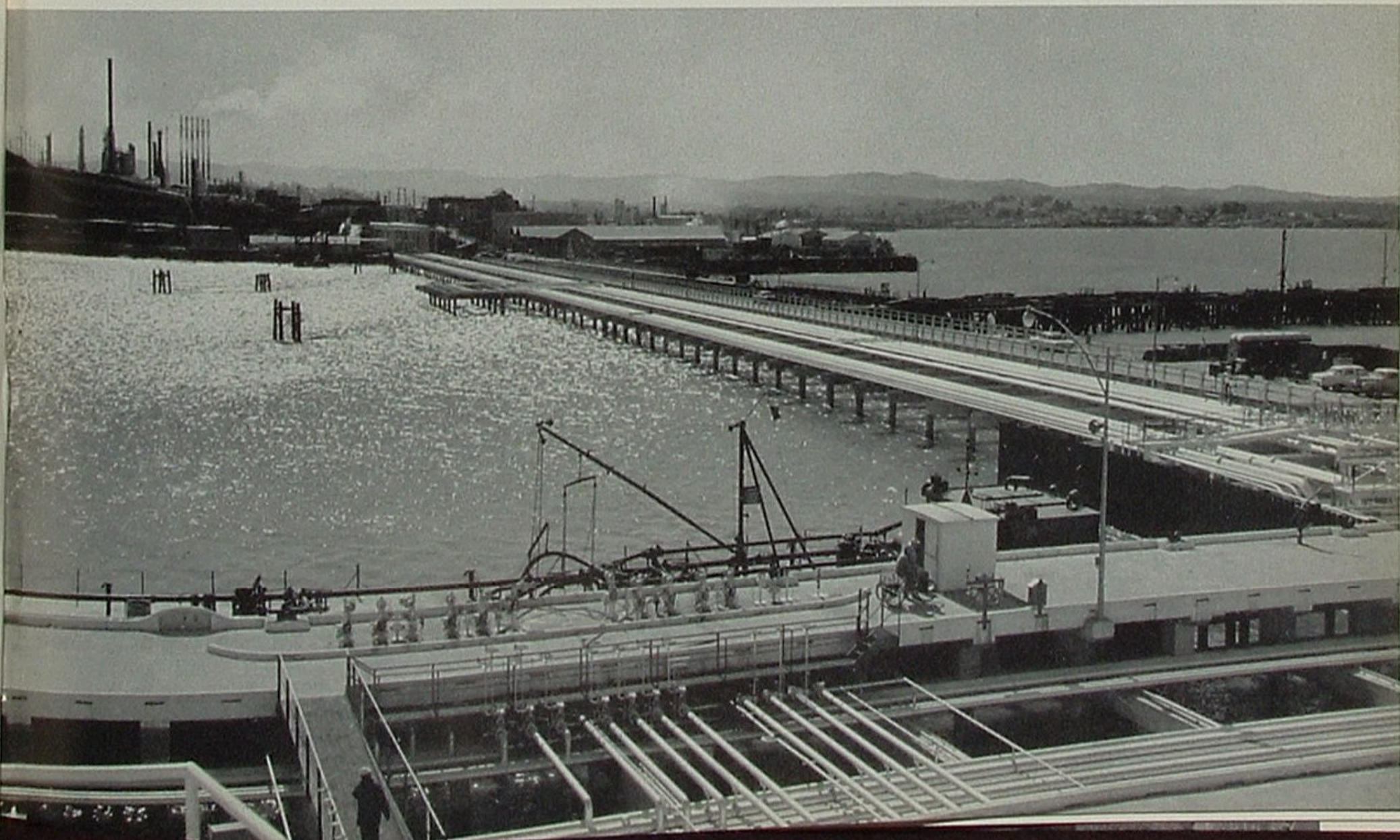
tions. By simply manipulating pushbuttons in the control house, he opens and closes the electrically operated valves on each line, thereby regulating every movement of bulk cargo taking place on the wharf. The control panel also includes a combined flow and pressure recorder and an integrator to keep count of commodity volumes being pumped. This control center is provided with radiant heat, forced-air ventilation, a smoking room, and the inevitable urn of hot coffee.

An additional feature of the terminal is a pneumatic tube through which quart samples of oil can be delivered to the refinery laboratory in approximately two minutes. Countless manhours will be saved by this expedient.

Although the wharf itself is as nearly fireproof as man can devise, there is constant danger of commodity ignition or fire aboard ships. To minimize such danger, the terminal is equipped with the most modern fire-fighting equipment. A booster pump is installed to deliver 2,000 gallons per minute of salt water at 100-pound residual pressure. Fixed-monitor nozzles, which can be set and left to fight a fire unattended, are so placed as to blanket the wharf and any vessels moored to it with a drenching rain of water or fog. Within a few minutes, one man can set the entire fixed-monitor system in action.

To sum up the new Oleum Marine Terminal, it has cost the Company nearly \$5 million. But, through the careful planning of many Union Oil people, the entire amount may be returned to us in the form of increased efficiency and safety.

A tankship deck affords this view of the 1,678-foot causeway over which a tide of oil moves to and from ships.



In Focus



SAFE THRU '54—Employees of our Los Angeles and Rosecrans terminals also avoided lost-time accidents in 1954, thereby winning National

Safety Council first-place awards. From left, supervisors Don Reed, H. M. Schafer and Mike Imes appraise their prized tokens of Safety.

from T. W. Proudfoot



SALESMANSHIP—Cited for outstanding sales accomplishments of their districts during January and February are, l-r, DSM's W. A. Cole

of Santa Barbara and P. H. Boyd of Los Angeles. Territory Manager F. K. Cadwell presents statuettes to winners, retains plaque in his office.

from T. W. Proudfoot



MERITORIOUS—In the field of job training, Training Supervisor G. G. Chappel of Home Office has merited national recognition, receiving the Merchants & Manufacturers Annual Award on April 7 and the American Petroleum Institute's "Citation for Service" April 28 in Los Angeles.

from W. C. Stevenson



SAVED A LIFE—Union Oiler Dev Barnett of Seattle obligingly agreed to deliver a note handed him by one of his customers. But his quick thinking first summoned the police, who arrived just in time to prevent the despondent man from jumping to his death off nearby Aurora bridge.

from R. J. Sandercock



3-MILLION MARK—For having completed three million manhours without a lost-time accident, our Research Department has received further National Safety Council recognition. Above, Manager Fred L. Hartley, left, accepts the Council's "perfect record" plaque from Thomas R. Burke, NSC director.

from Paul Doyle



ROYAL VISITOR—At a recent fair of international significance in Bangkok, the King of Thailand, left, escorted by Manager Storm Jorgensen of East Asiatic, our distributor, evidenced great interest in this display of imported Union Oil Company products. Our sales are booming in Thailand.

from Bill Theisen



HOSPITALITY—Mr. and Mrs. George DiDonato of Sacramento were among many visitors who appreciated Union's booth at the West-

ern States Meat Packers exhibit in San Francisco. We supplied hometown newspapers in a western setting, suggestion of E. O. Retherford.

from Pat Clark



ATTRACTION—The Company's new products exhibit made its initial appearance at the 1955 Automobile Show in San Francisco. Our Representative Joe Young, left, is seen receiving the commendation of Amos T. Crowl, manager of the show, who liked its punch per square foot.

from Pat Clark

AUTOMATION—FRIEND OR FOE?

Automation is a new word used to describe an old principle: the mechanization of tools. Automation started about 200 years ago with the invention of the steam engine, which furnished fuel power to replace muscle power. When steam power was first introduced, the opponents of power tools signed petitions, called strikes, and in some cases even smashed the machinery.

But that which is beneficial to man has a way of marching on regardless of what men try to do about it, and the use of power driven machinery has spread continuously and progressively for the last 200 years.

In America today mechanical power supplies more than 90% of the energy used up in production, yet the employees receive in wages and benefits more than 90% of what is produced. Moreover, there is just as much employment with the better tools; the number of hours in the work week have dropped from 72 to 40; and the material welfare and living standards of the worker have advanced in direct proportion to the productivity of the tools.

It now seems probable that within the next 50 years automation will bring on another revolution in the productivity of tools. Personally, we see nothing ahead under automation but an extension of the human and social benefits of mechanical tool power. Of one thing we are certain: nothing radical is going to happen in a hurry. When something new and better comes out, we are apt to conclude that the old product or the old job is doomed overnight, whereas many, many years are required for a substantial change-over from the old to the new. And even when the change-over is complete, the people whose livelihood seems to be in danger have usually adapted themselves to the change or found other solutions.

Let's assume for the sake of argument that by the year 2000 America's tools of production will be twice as productive as they are today. This could either mean that the same percentage of people would be working 20 hours per week instead of 40, or it could mean that the same percentage of people would be working 40 hours and producing (and receiving) twice as much.

It is our guess that the actual situation would be a compromise between the two, that is, the work week would be shortened and the production of goods and services would be increased. But whatever comes to pass under automation, it should be for the better.

From American Economic Foundation

THE REASON FOR MERGERS

If anyone should know why the Studebaker Corporation merged with Packard Motors it is Paul Butler,

chairman of the Democratic National Committee. Mr. Butler is a prominent lawyer in South Bend, Indiana, where Studebaker is located. His law firm represents the Studebaker-Packard Corporation.

Speaking before a Phoenix Press Club audience Thursday, Mr. Butler blamed the Studebaker-Packard merger on the Eisenhower administration's support of "big business." Actually, Studebaker got into hot financial water for two reasons. First, it was headed by Paul Hoffman and other internationalists who spent their time laddling out American billions to foreign countries instead of running their own business. Second, and probably most important, Studebaker was caught in a CIO Union contract bind that forced it to pay a wage scale eight per cent higher than that prevailing in Detroit. General Motors and Ford took full advantage of the South Bend wage differential, and Studebaker lost a large part of its margin. In the end, Studebaker had to merge or go out of business. Mr. Butler certainly wouldn't have approved of liquidation of the company.

Mr. Butler was completely right in saying that there is a trend toward bigger and bigger businesses in the United States. Automobile independents are not the only ones being forced to merge or sell out. It's happening all across the country and only for one reason: high taxes. A good many small operators simply can't stay in business. Some that could keep their heads above water foresee estate taxes making it impossible to leave their businesses to their heirs. So they are selling out in order to keep everything they have accumulated from going to the government.

If Mr. Butler wants to reverse the trend toward big business, he ought to attack the root of the problem. He ought to go after high taxes that have been putting a steadily heavier load on the business man's back for the last 20 years. The government that is responsible for such taxation should be blamed for most of the difficulties in which small businesses find themselves.

*Reprinted through courtesy of
THE ARIZONA REPUBLIC
March 26, 1955*

TAX THE RICH?

There's no future in it, the Tax Foundation argues. If Uncle Sam grabbed 100% of everyone's income over \$10,000, he would collect less than \$5 billion—not enough to run the government for a month.

*From THE WALL STREET JOURNAL
April 6, 1955*



SERVICE BIRTHDAY AWARDS

MAY 1955

EXPLORATION & PRODUCTION

Washbon, Vivian E., Richfield	40
Hamilton, William H., Richfield	35
Griffith, Burt R., Orcutt	30
Bush, Fred W., Home Office	20
Eads, Charles S., Dominguez	20
Katzenberger, Charles O., Orcutt	20
Roberts, Hugh L. E., Orcutt	20
Sagaser, Floyd J., Orcutt	20
Troop, Carl E., Bakersfield	20

MANUFACTURING

Hinkle, Nelson G., Wilmington	35
Vincent, George M., Oleum	35
Fausset, Ernest C., Oleum	30
Lewis, Charles A., Oleum	30
Medina, Ernest J., Oleum	30
McPherson, Byron A., Oleum	25
O'Neill, John E., Wilmington	25
Scherich, Royse B., Oleum	25
Serene, Lincoln, Oleum	25
Thomson, Lester J., Wilmington	25
Noe, Robert G., Maltha	20
Rike, Harry W., Oleum	20
Chrisope, Newton R., Wilmington	10
Coates, Clifford C., Wilmington	10
Crow, Robert L., Oleum	10
Cumiford, Robert L., Wilmington	10
Gatto, Edith M., Wilmington	10
Hester, James L., Wilmington	10
Mackey, John, Wilmington	10
Nunes, John E., Oleum	10
O'Neill, Lawrence G., Oleum	10
Osborne, William P., Oleum	10

MARKETING

Bateman, Joseph N., San Francisco	35
Tilston, Arthur N., Long Beach	30
Schneider, Waldo E., Sacramento	25
Burklund, Laurence C., Seattle	20
Mayville, William C., Los Angeles	20

McHenry, Joseph E., Long Beach	20
Roussel, Alice E., Home Office	20
Allen, Ernest S., Portland	10
Dixon, Lester W., Stockton	10
Granfeldt, Robert N., Los Angeles	10
Richardson, Elmer D., Sacramento	10
Segawa, Kiyoto, Honolulu	10

PIPELINE

Tudor, Edmund O., Santa Fe Springs	30
Dussard, John F., Santa Fe Springs	20
Brand, Robert L., San Luis Obispo	10
Turner, Frank G., San Luis Obispo	10

MARINE

Stene, John B., Home Office	30
Lishman, Lester L., San Francisco	20

COMPTROLLERS

Chandler, Lois M., Home Office	30
Thom, Margaret G., Home Office	10

INDUSTRIAL RELATIONS

Stevenson, William C., Home Office	30
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AUTOMOTIVE

Carr, Betty, Home Office	25
Lorens, Clyde R., Santa Fe Springs	25
Kooreny, John N., Emeryville	10

LEGAL

Gibbons, Lewis A., Home Office	25
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RESEARCH & PROCESS

Lee, Milton W., Brea	25
Waller, Guy L., Jr., Brea	10

DISTRIBUTION & TRAFFIC

Amos, Alfred V., Home Office	20
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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:

ORLEY R. DUNHAM

Field Department
Employed 3/18/16—Retired 5/1/55

IDA RUPPERT

Northwest Territory
Employed 6/19/17—Retired 5/1/55

CHESTER DAVIS

Field Department
Employed 12/31/18—Retired 5/1/55

CHARLES L. SIMMONS

Field Department
Employed 11/9/21—Retired 5/1/55

JOHN S. COX

Southwest Territory
Employed 2/3/23—Retired 5/1/55

JOHN F. PANOSCH

Southwest Territory
Employed 4/17/23—Retired 5/1/55

WALLACE F. RENFRO

Field Department
Employed 5/14/26—Retired 5/1/55

OLAF W. EKSTROM

Marine Department
Employed 4/16/28—Retired 5/1/55

AGNES C. DOUGAN

Maltha Refinery
Employed 7/12/28—Retired 5/1/55

FRANK J. STUTE

Los Angeles Refinery
Employed 2/6/29—Retired 5/1/55

CLAUDE TAYLOR

Los Angeles Refinery
Employed 7/18/30—Retired 5/1/55

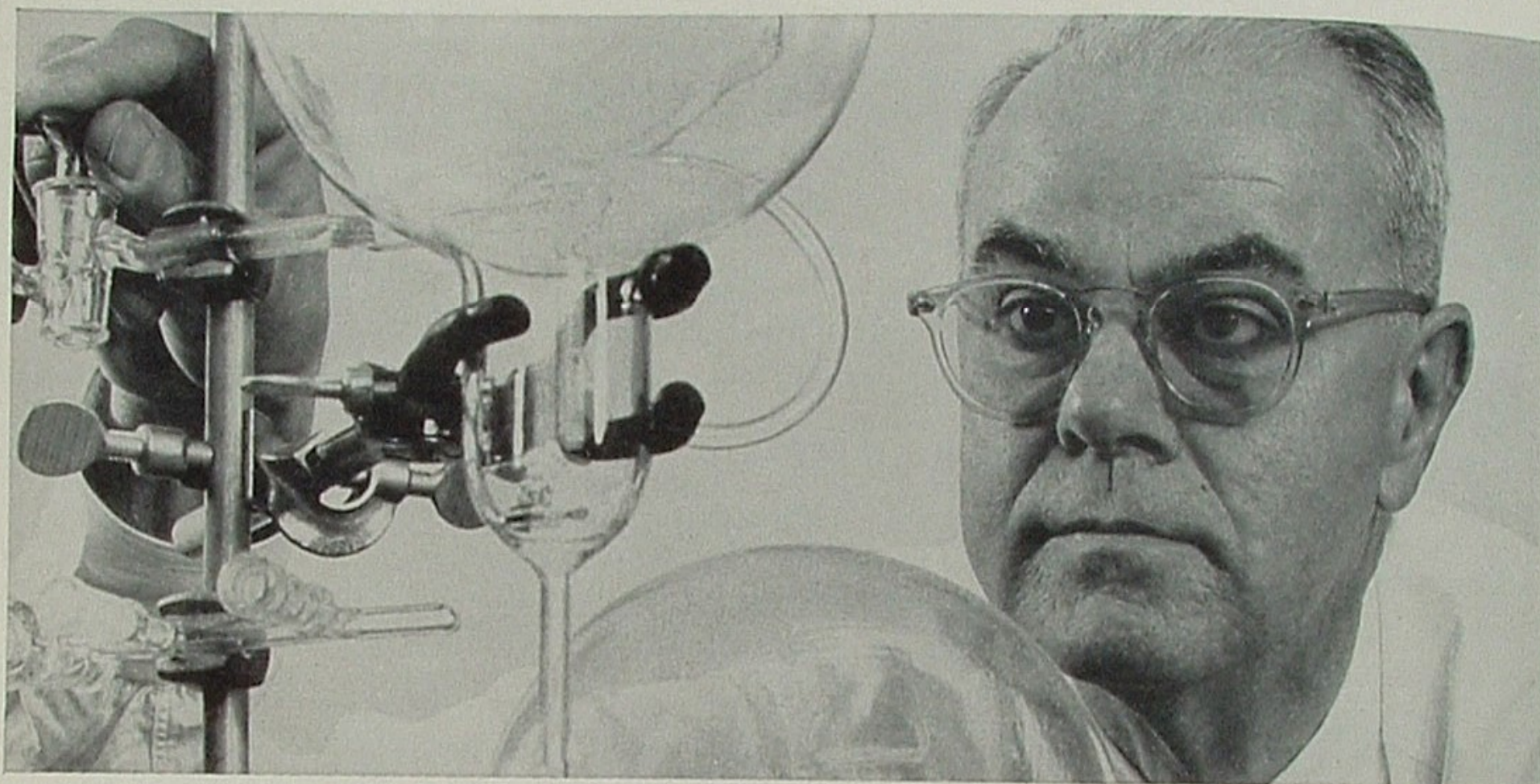
In Memoriam

On March 17, 1955
PETER M. BONETTI
Field Department

On March 28, 1955
ALFRED B. BOWIE
Field Department
Retired 7/30/39

Maynard Reynolds

or what model gasoline for your 1958 model car?



"YOU'VE probably heard it said that competition in an industry brings the customers better products ahead of time.

"If you ever doubted it, you should have been looking over my shoulder lately.

"I'm a research chemist for Union Oil. That's why, back in 1951—when Union was selling all the gasoline it could refine—the boss called me in. He said management wanted to know what



kind of gasolines we'd have to be able to market in 1958 to satisfy cars then.

"After studying trends in engine design, we set to work on our '58 model gasolines. We pushed octane right to the ceiling for the highest practical power

and knock-rating. But we wanted more than power.

"We wanted gasoline that would start a cold engine in a wink and let you drive away without a warm-up. We took our test cars into snow country and worked at 20-below.



"We also wanted gasoline that wouldn't vaporlock. So we drove down into the desert and tested blends till we had one that would perform in an oven.

"Well, when we had all the vital statistics we showed 'em to the men on the 12th floor. They took a long look at the facts, okayed \$70,000,000 for a refinery expansion program.

"As a result, we were able to introduce our 1958 model premium and

regular gasolines in 1955—three years ahead of schedule. *And man, are the customers taking them away from us!*"

* * * *

Maynard's true story points up again the big advantage of being a customer under America's free enterprise system.

Because we compete with every other oil company for your business, we con-



stantly *have* to introduce improved products to please you.

But if—as in Russia today—government had a monopoly on all business, there would be no incentive to bring you anything better.

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