

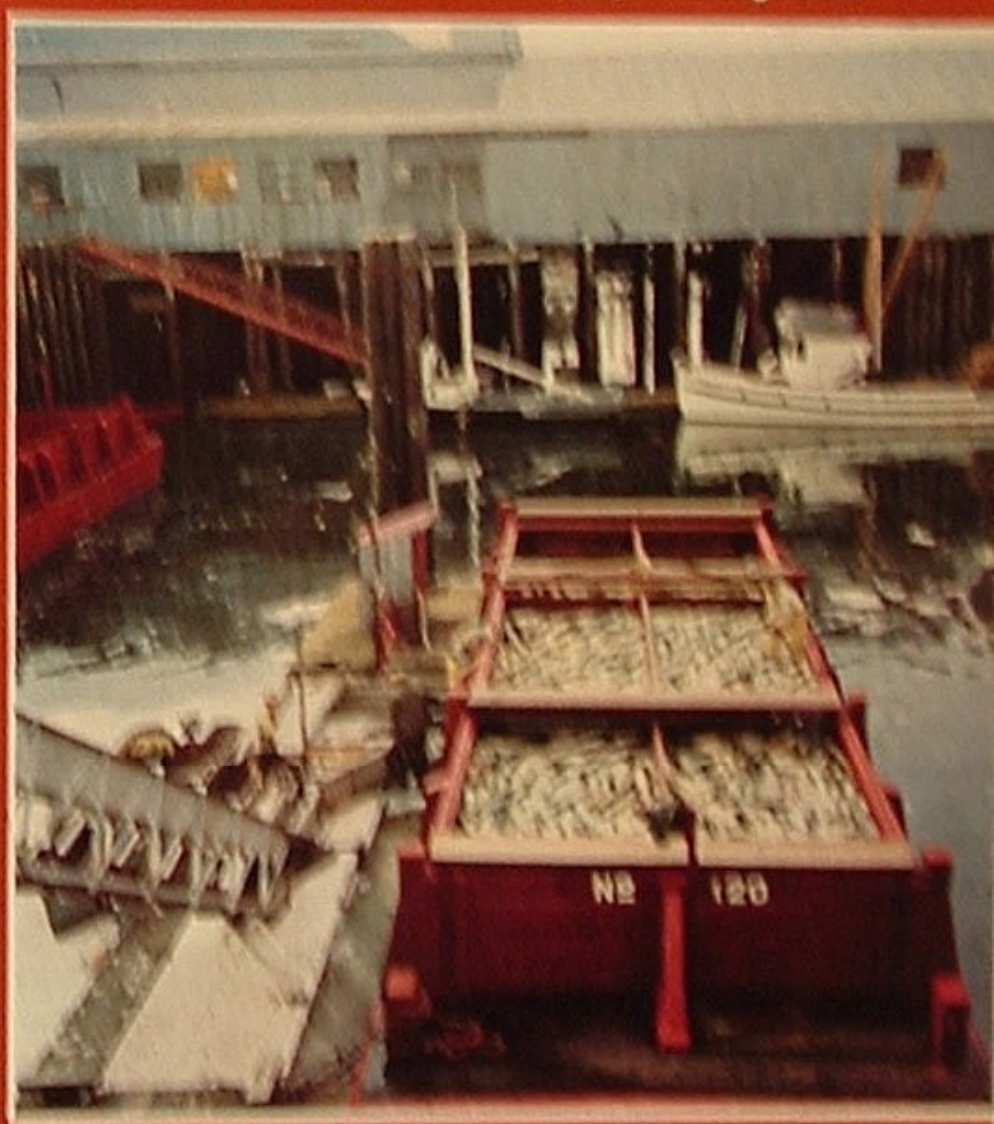
Union Oil's Marine Terminal at Whittier, Alaska



At Ketchikan a totem pole tells of boy meeting shark



Sled dogs on summer vacation north of Arctic Circle



A salmon barge being unloaded at Petersburg cannery

AT YOUR SERVICE
IN ALASKA

October 1955

On Tour

WITH UNION OIL COMPANY OF CALIFORNIA



On Tour



Volume 17, Number 10

OCTOBER 1955

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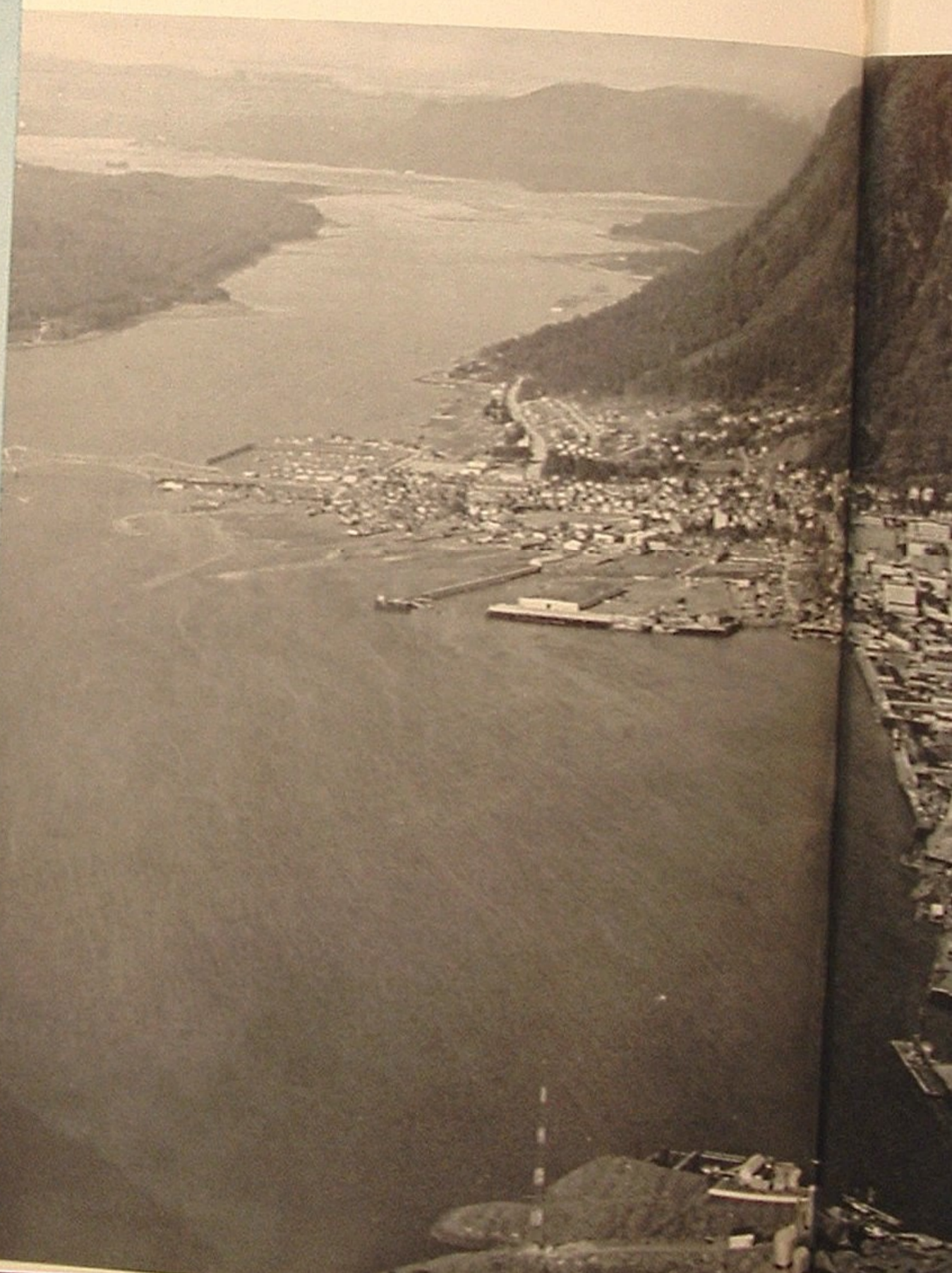
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DR. W. E. BRADLEY

"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. Hogen, Assistant Editor

OUR COVER PHOTOS hint of Alaska's summertime diversity. The view of Whittier Marine Terminal was suggested by Union Oiler "Rod" Hiser, right, who blazed ON TOUR's trail to a glacial viewpoint above our petroleum "cache." The totem pole near Ketchikan tells of an Indian youth whose hand was bitten off by a shark. Sled dogs at Kotzebue, above the Arctic Circle, rest in surprisingly un-wintery surroundings. Our camera found Petersburg, one of Alaska's foremost fishing centers, busy handling the annual harvest of salmon and shrimp.



CACHES OF THE FINEST PETROLEUM PRODUCTS ARE

At Your Service In Alaska

from Frank J. Kerth, District Sales Manager

ANYONE who has flown above Alaska's Yukon River—and quite a number of Union Oil people have—would hardly expect to find a cache of petroleum products along its lonely thousand-mile course from the Arctic Circle to the Bering Sea. For you can fly over this vast, untamed region without seeing other signs of human penetration than an occasional hunter's cabin, prospector's waste-rock dump or isolated village.

However, a "76" marketing service has now been established all the way from Fort Yukon to the sea. Yutana Barge Lines, consignees for Union Oil Company, have just inaugurated a bold new river operation. Starting at Nenana, where the Alaska Railroad from Anchorage to Fairbanks makes contact with the Tanana River, our consignees are barging "76" products downstream to the Yukon, thence northeastward to Fort Yukon and southwestward to the Bering Sea. Whether future explorers of this great Alaskan frontier do their pioneering with an airplane, outboard motor, kerosene lantern or cigarette lighter, a Yutana barge will be on hand to "fill 'er up" with "76."

This is a typical chapter in Union Oil's book of Far North development. We have managed to deliver oil in any quantity wherever it was needed during the past 44 years—oftentimes a step ahead of the "pioneers."

Though Union Kerosene and Axle Grease probably found their way to Alaska earlier, Company records

At left is Juneau, capital of Alaska and scene of Union Oil's first tankship delivery in 1911. Our present marine terminal appears near the lower edge of the photo occupying a convenient wharf site on Gastineau Channel. Below, Alaskans try to make a fortune by guessing the minute ice will break up on the Nenana River; it is from Nenana that "76" products are barged to Yukon River.

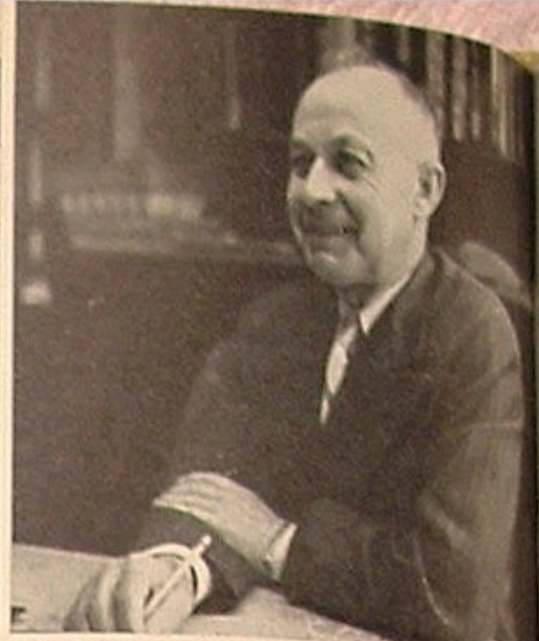




District Sales Manager Frank J. Kerth, author of this report, is seen at gold dredging operation near Nome. Retired Union Oiler Thomas P. Hansen, right, tells Gov-



ernor B. Frank Heintzleman he prefers living "up North." J. K. Johnson is Ketchikan manager of New England Fish Co., Union Oil consignees at Chatham and Noyes Island.



Norris and Taku Glaciers as seen by thousands of air travelers.



Above are R. J. Hiser and Thomas Whitaker, Company employees at Whittier Terminal; below, Plant Manager John Butler and Consignee George Nehrbas at Fairbanks plant.



Below from left are Superintendent Robert G. Fox of our Whittier Terminal; Captain W. E. Davis of Foss Tug and Superintendent R. M. Akervick of Juneau Terminal; Resident Manager L. C. Franks and son Loren of Ketchikan Terminal;



point to 1911 as our initial delivery date. In October of that year the Union tankship LANSING made a 44,000-barrel delivery of fuel oil to the Alaska Gold Mining Company at Treadwell, near Juneau, and repeated the delivery annually for five years. In 1916 the LANSING began serving two additional fuel oil accounts at Akutan and St. Michael. And in 1922 our tankship LOS ANGELES opened a long series of voyages to the United States Smelting, Refining and Mining Company's gold-dredging operations at Nome, the most recent of which was described in the September, 1954 issue of ON TOUR. Practically every year since 1911 Union Oil ships have dropped anchor and cargo in Alaskan ports.

Our official date of residence in the Territory, however, came with the opening in 1926 of marketing stations at Ketchikan, Petersburg, Craig and Wrangell in Southeast Alaska's great fishing area. These were followed by similar facilities at Juneau and Sitka in 1928; Chatham, Hoonah and Noyes Island in 1929; Tenakee in 1934; Elfin Cove in 1939; Kalinin Bay in 1940; Metlakatla in 1946; Hood Bay in 1951; and Haines in 1953. From our marine terminals at Juneau and Ketchikan, supplied by tankship, these other Southeast stations are served by contract barge.

Farther north at Whittier, where the relatively ice-free Prince William Sound connects with the Alaska Railroad, the completion of our Whittier Marine Terminal in 1946 was accompanied by the opening of new marketing outlets at nearby Anchorage and at Fairbanks, more than 400 miles to the north. These were followed by the rail-supplied marketing stations at Palmer, widely publicized Arctic farming community, in 1949; Portage in 1951; and Nenana in 1953. Our Kodiak Island outlet, opened in 1950, is supplied directly by tankship.

Organizationally, this marketing and distribution set-up is a part of Union Oil's Northwest Territory, headquartered in Seattle. The Alaska district sales manager, with an office in Anchorage, is assisted by a district representative in Juneau and a resident manager in Ketchikan. Employees of Union Oil also operate the marine terminals at Whittier, Juneau and Ketchikan. All other resident representatives of the Company in Alaska are consignees and their employees.

So well have these people and Company products served the Far North that "76" easily qualifies for the coveted Alaskan title of "sourdough." The familiar numeral brightens nearly every city street or can be found identifying the head of a barrel in many an Eskimo's backyard. Union Oil products valued at well over six million dollars annually are used and highly regarded throughout the Territory.

THE NORTHLAND

Newcomers and visitors to the Far North, no matter how much they have read or heard, invariably are surprised at its changing moods and scenery from mile to mile and season to season. Seldom do they comprehend that the Territory is one-fifth the size of the entire United States and extends nearly 1,500 airline miles from Ketchikan northwestward to Point Barrow.

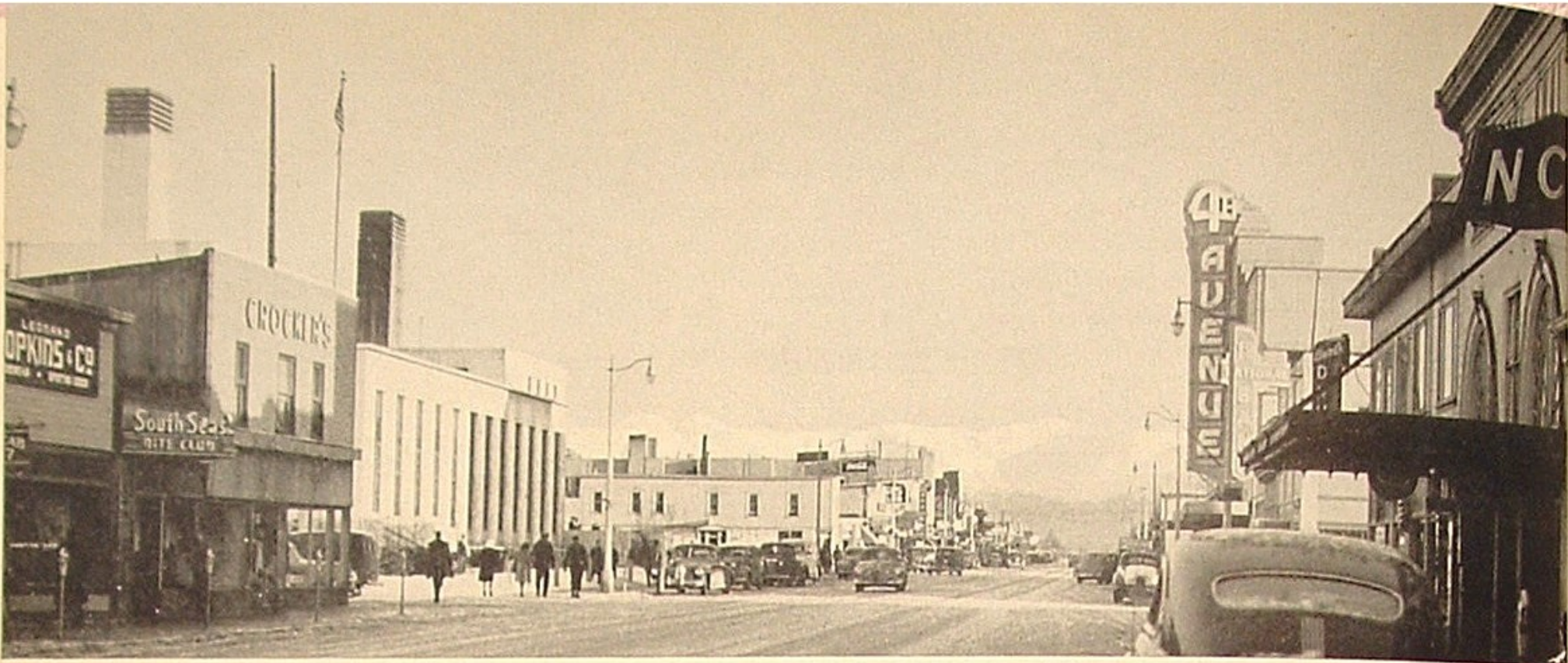
Southeastern Alaska, embracing a narrow strip of coast and a spectacular group of islands, resembles coastal Washington as to climate, scenery and industrial resources. Here are concentrated most of the Territory's important fishing, canning, lumbering and pulp industries. For centuries it has been the realm of the Indian and the totem pole, but too warm for the Eskimo.

Leaving Juneau, you fly northwestward over immense snow-crested mountain ranges, reaching Fairbanks or Anchorage in about three hours. It is here in Western Alaska that you begin to sense the Territory's vastness, its untapped resources, and its formidable barriers of climate and terrain. Both Fairbanks and Anchorage have war-boomed into surprisingly large, modern and comfortable frontier cities. But five minutes out of their busy airports and you are over virgin wilderness. Here the North's summertime frock of blue forests, white mountain tops, green muskeg and thousands of vari-tinted lakes and streams can vanish in a twinkling under the Arctic's winter overcoat. Both coverings undoubtedly have concealed most of the mineral treasures tenacious Americans expect to find. What other values are contained in this expansive cold-storage vault call for nearly as much imagination as energy. Definitely, however, Western Alaska isn't much of an invitation to prospective farmers.

L. SorVolla and Don McGraw of consignee-operated Sitka plant; William Oines and Consignee Ben T. Smith of Petersburg; Pilot-Salesman Hualcon Christiansen, Airport

Dealer Court Marchant and Pilot-Salesman Pat Ryan, representatives of consignee in Anchorage. They typify the people who have made "76" products available in Alaska.





Anchorage, largest city in Alaska, has become the center of great airfields and other major military installations.

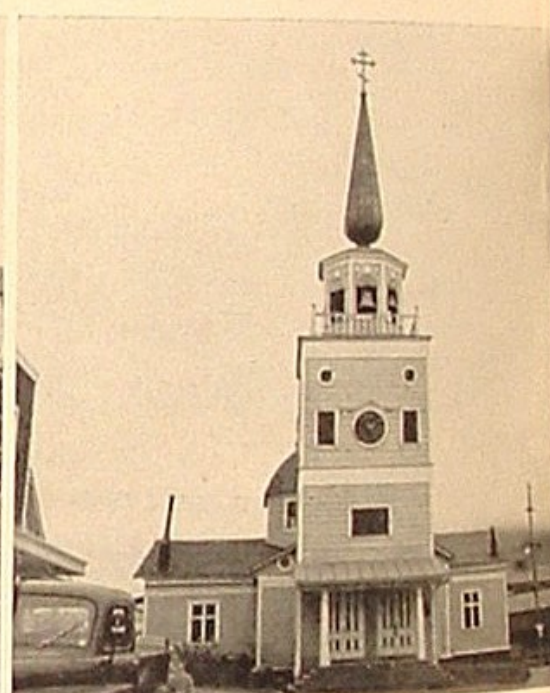
The city is bustling and modern. Nearby is Matanuska Valley where farming experiments are meeting with success.



Alaska's robust past is recalled by, from left, a monument to the discoverer of gold, Felix Pedro, near Fairbanks; a



fine home for retired "sourdough" prospectors at Sitka; and a church at Sitka dating back to Russian occupation.



Ketchikan, with a climate similar to that of Seattle, takes pride in being the southern gateway to Arctic adventure.

THE NORTH'S MAGIC CARPET

The miracle of modern Alaska is that, despite the terrain's ruggedness and immensity, you can reach nearly any part of it within a few hours. The entire Territory is linked intimately by the magic of aviation.

Swift flights with Pacific Northern Airlines, 100% Union Oil customers, get you in less than a day from Seattle and Portland to Ketchikan, Juneau and Anchorage or Fairbanks. Bob Reeve, a famous Alaskan airman and loyal Union Oil customer, will fly you anywhere throughout the Aleutian Chain via his Aleutian Airlines. From excellent airports in Anchorage and Fairbanks there are regularly scheduled three-hour hops to Nome. During the summer tourist season, several of the airlines even maintain regular passenger service to the Eskimo com-

ON TOUR





The declining salmon industry of Alaska, once valued at \$97 million annually, is still the North's major enterprise.



Some 235 miles inland from Whittier, Union Oil tank cars cross Hurricane Gulch via this bridge—to Fairbanks.



Modern Alaska is airborne: At left, a \$12,000 poke of gold reaches Nome via bush pilot; at a busy airport in

Anchorage, Pacific Northern Airlines fill 'er up with 76; and a big plane awaits orders north of the Arctic Circle.

munities of Kotzebue and Point Barrow, both well above the Arctic Circle. Or if you have ample reason to visit any other point on the map, summer or winter, there are veteran "bush pilots" in the Territory willing to fly you there. The famed Alaskan dog teams can no longer compete with aviation's magic carpet.

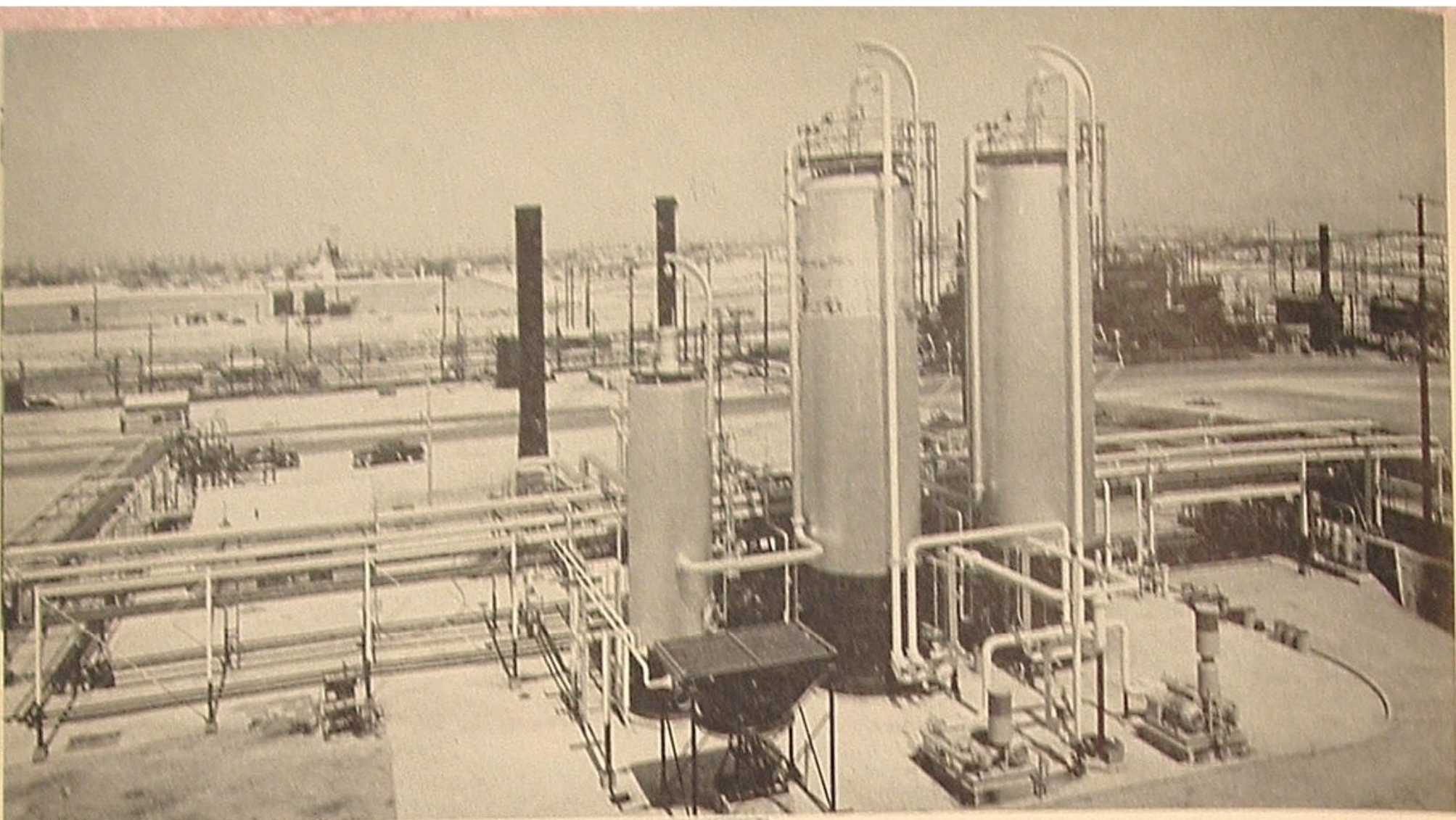
Hence, Northerners measure the distance everywhere in air hours. Probably no people on earth are more air-minded. They may turn up on successive days in Point Barrow, Nome, Fairbanks, Ketchikan, Seattle, San Francisco, New York and New Orleans. It is reported that in Alaska there is an airplane for every 22 people.

On the other hand, as vacationers in the States learn that an *oomiak* ride in the Arctic Ocean with real Eskimos is a matter of only two days of leisurely arm-chair flying, there develops an increasing amount of air travel to the Far North. The airlines already offer modest but

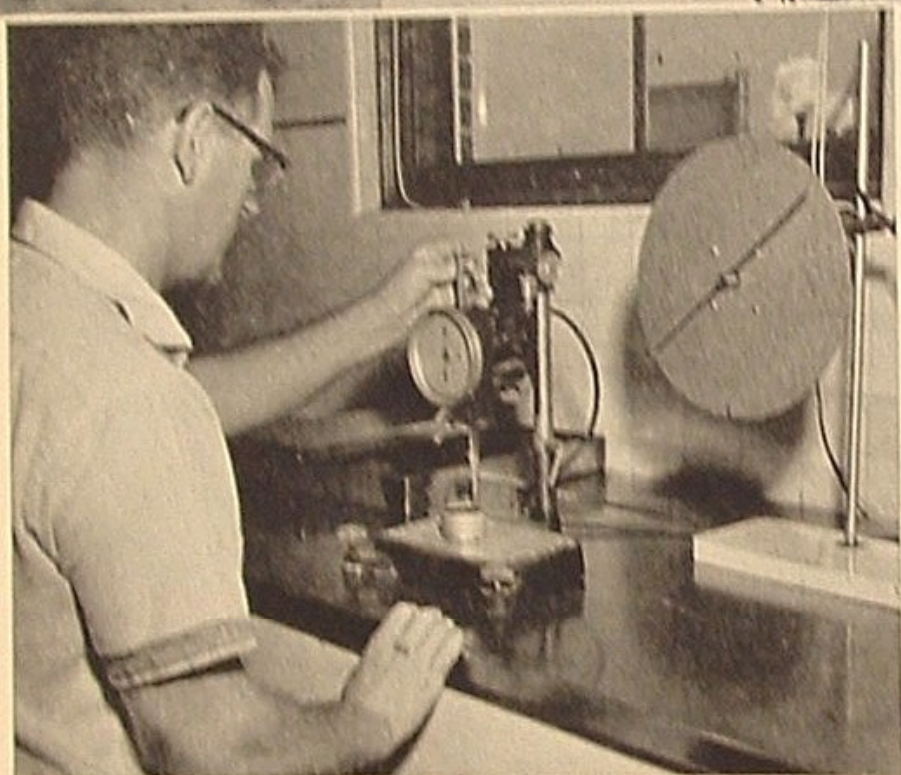
comfortable visitor accommodations at Point Barrow and Kotzebue. At Nome you can hobnob with the King Island Eskimos, pan gold, dine on reindeer steak, or take a narrow-gauge railway hunting trip into the muskeg and caribou country. The Arctic Ocean is beginning to compete with the world's warmer shores for tourist favor.

It all takes petroleum—aviation gasoline to power the airplanes—diesel fuel for the rail equipment and tractors—motor gasoline for thousands of automobiles and boats—fuel oil for the electric and steam plants—kerosene for stoves and lanterns—lubricants of extraordinary merit to combat the Arctic cold.

So when you pay a visit to the Far North, take added pride in your industry and your Company. A thousand tank and barrel caches of the *finest* petroleum products attest to Union's Oil aggressive trail-blazing in Alaska.



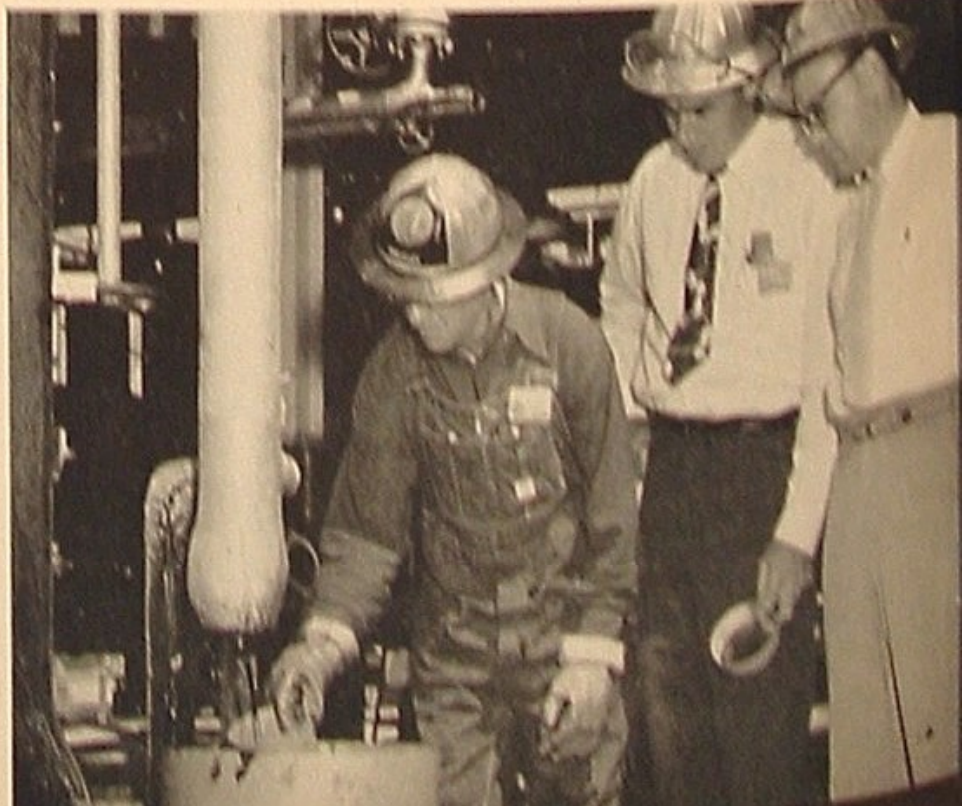
The Los Angeles Refinery unit above was installed at a cost of nearly one million dollars to manufacture air-blown asphalt. Principal buyer of the product is Pabco Products, Inc, whose new roofing plant is seen in the background.



Modern asphalt testing methods in a refinery are demonstrated (above) by Inspector Paul Hougan, using a precision "penitrometer" to measure hardness of a sample; and (below) by Inspector Don Killday, using a Cleveland open-cup flash tester to determine the flash point.



Interested in a sample of air-blown asphalt drawn from the new unit by Stillman Hugo Walter are Process Engineer Harry Bourgeois and Project Engineer Max Southwick.



HOW THE PETROLEUM INDUSTRY'S "BOTTOMS" BECOME

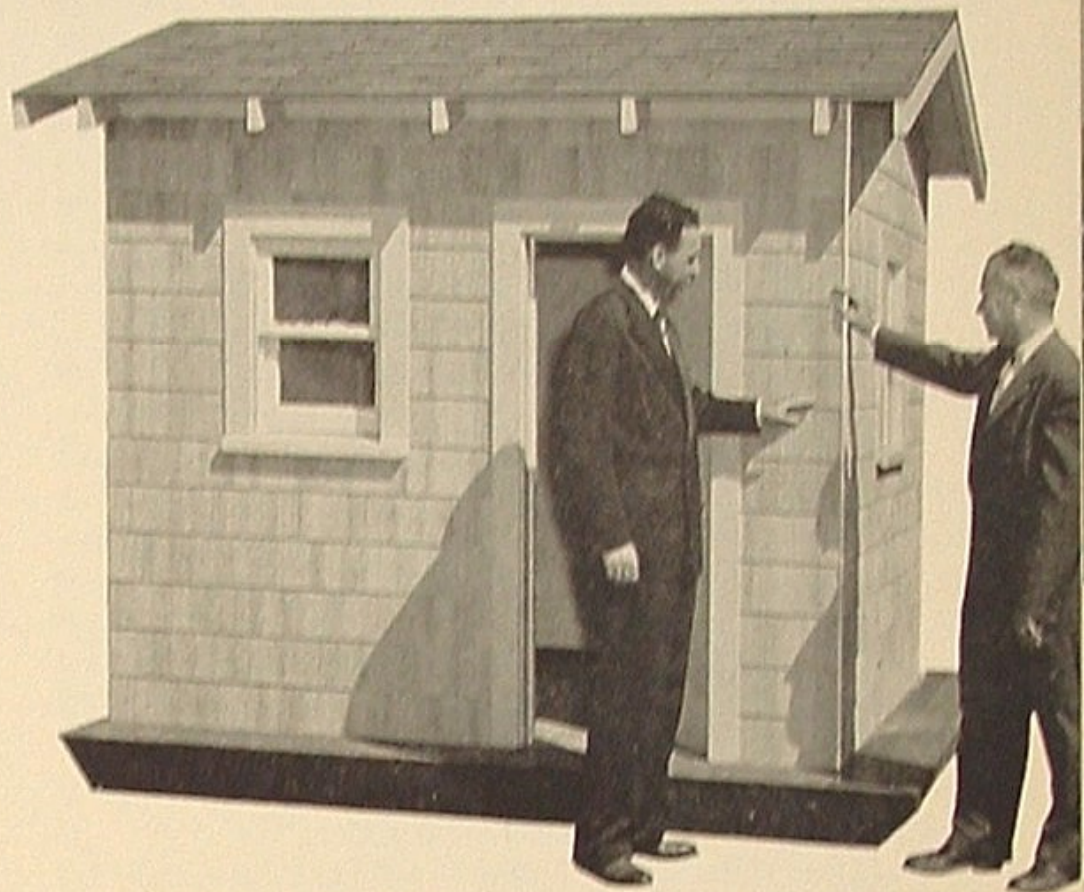
The "Tops" In Roofing

from D. L. Nielsen, Supervisor Residual Oil Sales

ASPHALT, oldest of petroleum products—for it is known to have been used by the ancient Babylonians, Egyptians and other early civilizations—is also one of our most versatile. About 76% of the total now produced in the United States is used for paving purposes. Another 21% goes into the manufacture of roofings. The remaining 3% is found in an almost limitless miscellany of commodities including paints, pipe coatings, linoleums, batteries, tires, linings, undersealings, refrigerator insulation, rubber garden hose, electrical insulation, waterproof papers and cartons, shoes, etc.

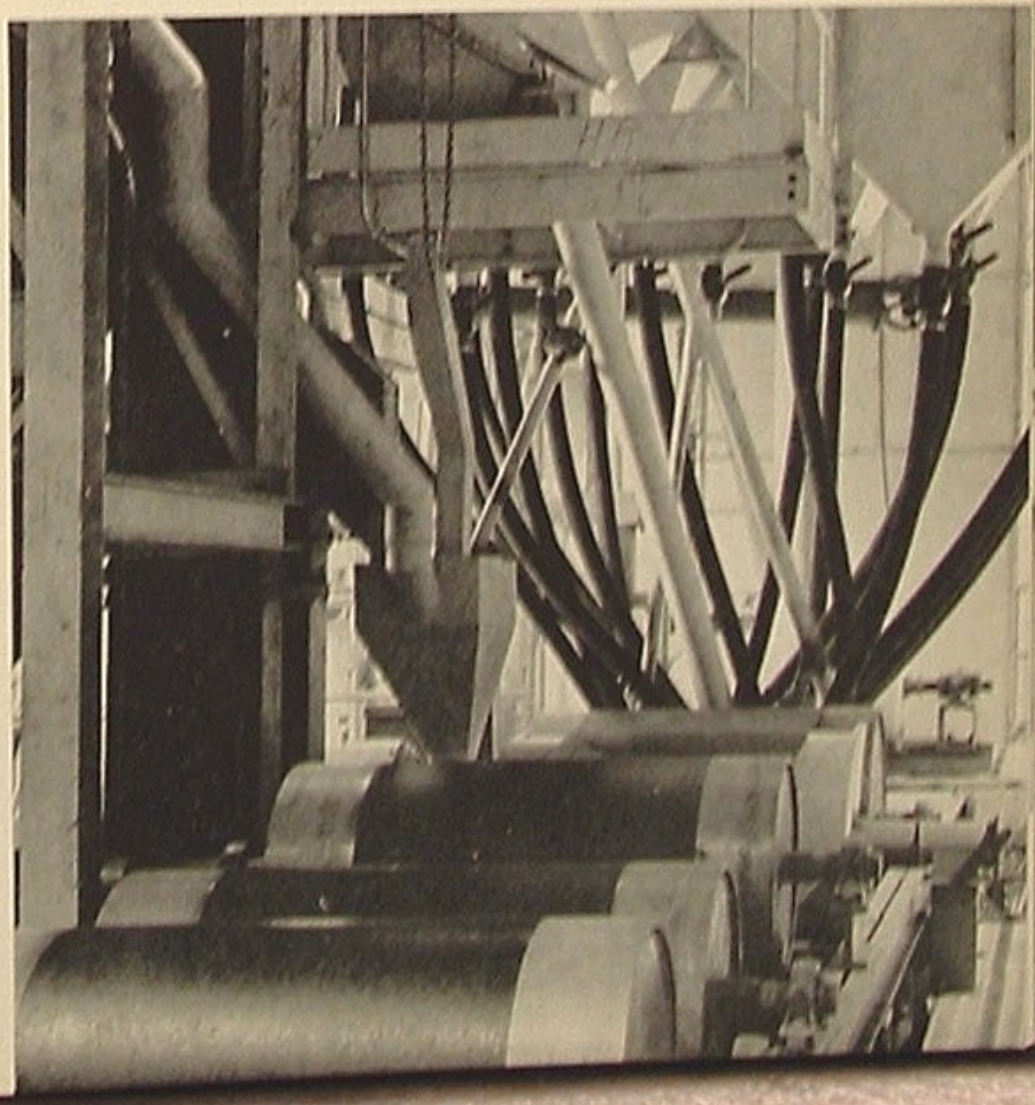
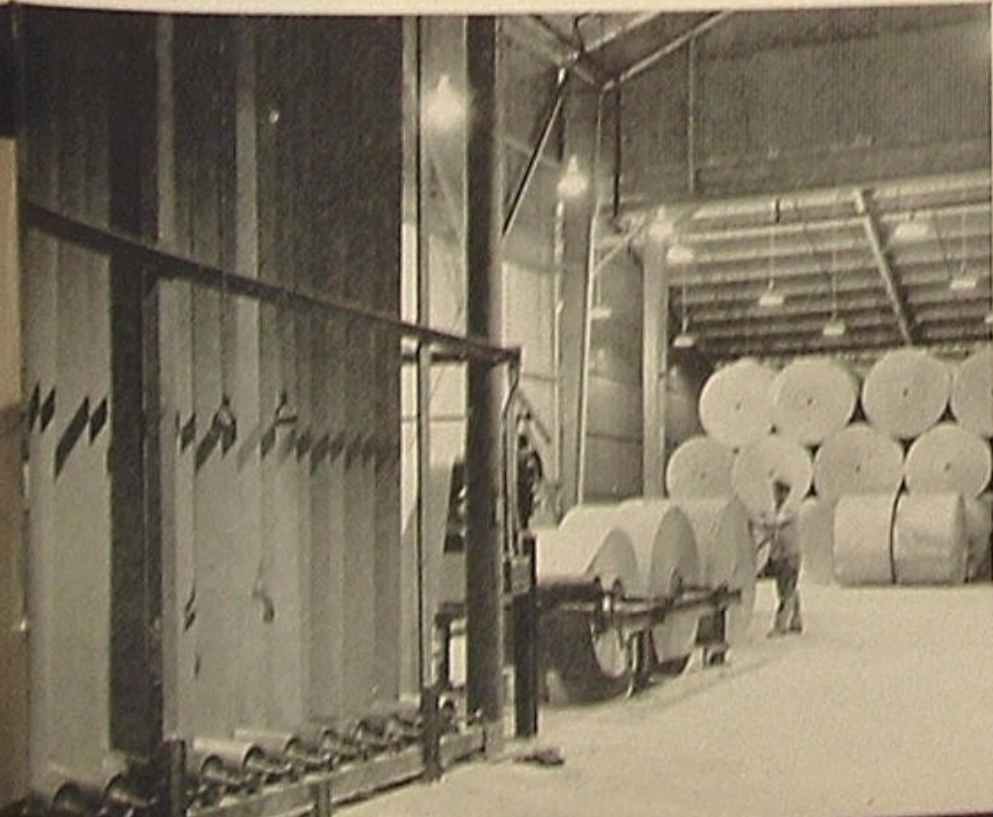
The scene from an airplane flying over a modern American city is largely a view of asphalt. Most streets and airports are paved with it. The roofs of innumerable buildings, homes and factories have waterproof asphaltic coverings. Driveways and parking areas are blacktopped.

In fact, so broad is the subject of asphalt that we must leave for another time a description of its major use, paving, and of its value as a component in the manufacture of miscellaneous products mentioned. Our interest at the moment will be limited to asphaltic roofing. This product is so much in demand that the Pabco Company have just completed a plant adjacent to our Los



A door prize awaiting some lucky guest of Pabco during open-house is inspected by Assistant Superintendent T. H. Gaines of Los Angeles Refinery and Plant Manager D. C. Bird of Pabco. The deluxe playhouse for children is walled, roofed, floored and painted with excellent fire and weather resistant products partly derived from oil.

The manufacture of roofing begins with rolls of rag felt (below), which are saturated with air-blown asphalt and colored with coatings of granules (from pipes right).



Angeles Refinery for the purpose of serving the Southern California roofing market. We in turn have constructed an excellent new refining unit for manufacturing the particular grades of *air-blown* asphalt required by roofing manufacturers.

By *air-blown* asphalt we mean simply this:

One of the crude oil distillation processes employed at the refinery produces asphalt as *bottoms*, that is, the heavy residual material flowing from the bottom of a distillation column after the lighter products have been distilled off. Some of these *bottoms* refined from carefully selected California asphaltic crude oils are known as *steam-blown* asphalt because steam is introduced into the column to act as a carrier in removing the light petroleum fractions. The hardness of this *steam-blown* asphalt can be varied by altering the amount of steam being blown through it to carry away the lighter oils.

Now, when we heat a soft *steam-blown* asphalt to around 450 degrees F. and blow air through it by means of perforated pipes immersed in the column of oil, a chemical change takes place in some of the asphaltic molecules. The resulting *air-blown* product has a higher melting or softening point and, while less pliable or ductile, is much more resistant to temperature changes than the *steam-blown* variety. This resistance to heat and temperature change gives *air-blown* asphalt its superior stature as a roofing material. Furthermore, the product can be modified in several ways to condition it for use in various extremes of climate.

Manufacture of the finished roofing, as accomplished in the new Pabco plant, is an exacting process calling for mechanized efficiency, engineering know-how and skillful workmanship. It has not been established yet how much roofing Pabco's employees here can produce daily with their new equipment. However, Los Angeles Refinery is geared to supply the customer with up to 1,000 barrels of *air-blown* asphalt a day.

The manufacture of asphaltic roofing begins by feed-

ing large rolls of rag felt (in some instances asbestos or glass fiber is used), available in various weights, through a continuous roller-conveyor system. Moving up and down in a series of loops, the felt is immersed 16 or more times in a hot *saturant*, a relatively soft *air-blown* asphalt. This gives the roofing much of its water-proofing and weather resistance.

The saturated felt often is applied to roofs in layers, alternating with mopped-on layers of hot *air-blown* asphalt and topped with gravel imbedded in the final coat. This type of construction is known to the trade as a "built-up" roof.

Or, the Pabco plant manufactures a finished roofing, in rolls or shingles, ready to be nailed. In this case, the saturated felt continues on through a series of sprays and rollers where *air-blown* asphalt, having a high melting point, is "flowed" on both sides of the sheet to a desired thickness. Finally a granular mix of pleasing colors is rolled into the asphalt base, and the finished product is ready for packaging in rolls or bundles of shingles.

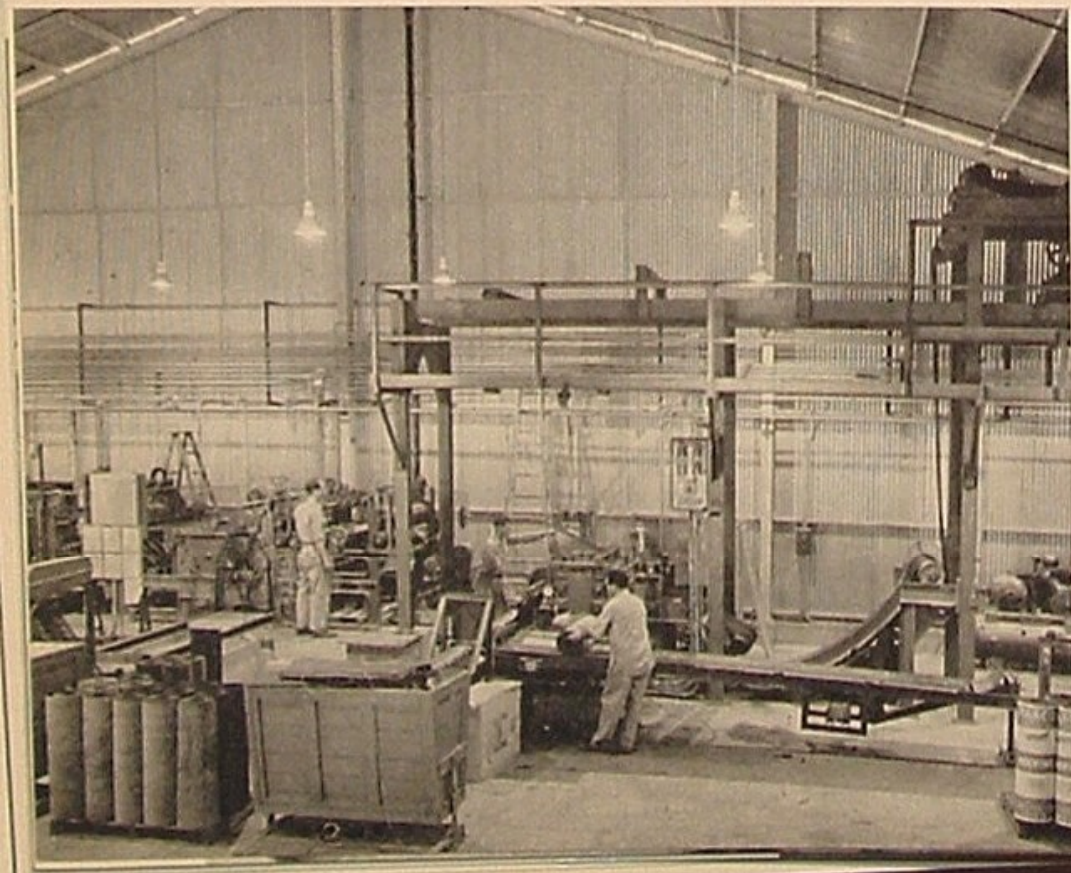
Of particular interest is the granular mix we have just mentioned. It is made of ground rock or manufactured substances obtainable in a dozen or so vivid colors. Applying these colors separately or in combination, Pabco can produce a roofing surface of practically any color or multi-hued variety.

The wide-spread and increasing demand for asphaltic roofings is attributed to their long serviceability, light weight, low initial cost, ease of installation, economy of upkeep and repair. Also they present less of a fire hazard than do wooden construction, so mean lower insurance rates to the property owners.

Antiquity's fabled cities of gold have, in a sense, been achieved. Ours of today are paved and roofed with gold—black gold, that is. And, if you choose, the Pabco Company probably can apply some shining yellow granules to make the roof of your home glisten like a gilded castle.

The new Pabco facilities include machinery for cutting and packaging all types of their asphaltic roofing.

Finished products are stored on pallets in this spacious warehouse or loaded on waiting boxcars and trucks.



HERE ARE SOME FACTS TO HELP YOU OBTAIN

Your Fair Share From Social Security

from A. L. Reed, Supervisor Disbursements and Payrolls

THE Social Security law, passed by Congress in 1935, marked its 20th anniversary on August 15 of this year. The latest of several amendments to the law became effective September 1, 1955, extending its coverage to more categories of working people and increasing the payments to all those eligible for benefits.

From 1937 to 1950, the Social Security tax on an employee's earnings up to a maximum of \$3,000 a year was 1% payable by the employee and 1% by the employer. Then the rate rose to 1½% payable by each on maximum yearly earnings of \$3,600. On January 1, 1955 the tax rate to employee and employer increased to 2% each on a maximum earnings base of \$4,200. Four further step-ups are scheduled until, by 1975, the rate will be 4% each for employer and employee.

Are you well enough informed about the Social Security law to obtain your fair share of benefits in return?

The following questions are among those most frequently asked by people who do not fully understand the law. Answers have been prepared with the help of the Social Security Administration and may be of considerable monetary value to yourself or your dependents. For it is estimated that nearly half the people eligible are overlooking some of their Social Security benefits.

What kinds of insurance payments are made under Social Security?

There are four kinds of payments: (1) Monthly payments to an insured person and his family when the insured retires at 65 or over. (2) Monthly payments to an insured person and his family when the insured is 72, even if he is still working. (3) Monthly payments to the family of an insured person who dies. (4) Lump-sum payments to any person who pays the insured person's burial expense. This sum is paid in addition to any monthly insurance payments to eligible survivors.

Is work outside the United States covered by Social Security?

Yes, if it is done by a citizen of the United States in the employ of a United States employer.

Do all employees on American vessels have Social Security?

Citizens of the United States are covered by the law. Non-citizens are covered if their vessel touches a port

within the United States during the employment contract, or if the contract is entered into in the United States.

I am not an American citizen, but I live and work in the United States in a covered occupation. Will this affect my benefits?

United States citizenship is not a requirement for Social Security participation.

I spent several years in the armed forces. Do those years count toward Social Security?

If you served between September 15, 1940 and July 1, 1955 for 90 days (or less, if the reason for your discharge was a service-connected injury) and you did not receive a dishonorable discharge, you are considered, for Social Security purposes, to have been earning \$160 a month for the period of your service.

How do you qualify for survivors' benefits?

Some types of survivors' benefits are payable at death of the worker if he was *fully* insured; others are payable if he was either *fully* or *currently* insured; there is one type of monthly benefit payable only if he was both *fully* and *currently* insured. If a worker was *fully* insured, benefits may be paid to his dependent children under 18 years, to his widow (in some cases to his widow who is 65 or older, and sometimes to his aged divorced wife) if she is caring for his children, to his dependent parents. The dependent widower of a *fully* insured woman worker may qualify for a widower's benefit at 65 if his wife was also *currently* insured at her death. If the worker was only *currently* insured at death, no benefits are provided for survivors at age 65, but any of the other benefits may be paid. A lump-sum death payment may be made if the worker died either *fully* or *currently* insured, even though monthly benefits are also payable.

When do I become fully insured?

You will be fully insured when you reach 65 or when you die, if you have at least one quarter of coverage for each two calendar quarters that have passed since December 1, 1950, or since you reached age 21, whichever is later. At least six quarters of coverage are necessary

in every case. When you have 40 quarters of coverage you are fully insured for life.

How does a worker become currently insured?

A worker is currently insured if he had at least six quarters of coverage within the three years just before his death or just before his entitlement to old-age insurance benefits.

Will you explain what is meant by the "disability freeze" provisions of the new Social Security amendments?

If you are now totally disabled, or become totally disabled in the future, you may apply to have your earnings record "frozen" during the period of your disability to protect your benefit rights and your benefit amount. Thus, the period in which you were totally disabled (before age 65) will not be used in figuring your average earnings and will not be used in figuring the length of time you must work to qualify for benefits.

How long must I be disabled before I can apply to "freeze" my record, and must I have worked for a certain length of time?

Your earnings record may be "frozen" if: (1) You are under a disability which has lasted more than six months and keeps you from doing any substantially gainful work; (2) you worked in a job covered by the Social Security law for five out of the last 10 years before you were disabled, of which 1½ were during the last three years before you were disabled; and (3) you are totally disabled at the time of filing.

Do the new amendments provide for making payments to disabled persons under age 65?

No. The disability freeze provision of the law only protects your insurance rights while you are totally disabled and under 65. It does not provide cash disability payments.

Will you explain briefly what is meant by the "drop out" provisions of the new law?

Under the old law your average earnings could be pulled down by years in which you had low earnings or no earnings at all. If you first became eligible for old-age insurance benefits after August 1954, up to five years can now be dropped in figuring your average earnings. This will increase the amount of your average earnings, meaning that your benefit will be higher.

How can I check the amount of wages to my credit at the Social Security office?

Your payroll office or local Social Security office can furnish you a postcard form to be completed and mailed. You will receive from the Social Security Administra-

tion a statement of the wages credited to your account. If you believe the record to be incorrect, an investigation will be made.

Since filing an application for a Social Security card, I have changed my name. Is it necessary that my Social Security card be changed to show my new name?

In order that your Social Security account will be properly credited, you should complete Social Security form "Request for Change in Records," available at your payroll office or local Social Security office.

I am divorced from my husband. Can I receive benefits based on his Social Security coverage?

You cannot receive such benefits under any circumstances while he is alive. You may obtain survivors' benefits after he dies, if you are caring for a child of his who is under 18, and if you were receiving at least half your support from him by court order. The payments stop when the child reaches 18. If you should remarry before then, your payments stop but the child's continue. If your former husband reaches 65 and starts collecting retirement benefits, his child under 18 also collects a benefit; you do not.

I know of a man who is collecting Social Security retirement benefits although he paid Social Security taxes for only two years.

The time you have to be covered before you are fully insured varies from 18 months to 10 years. People born before July 1, 1889 need only the minimum period; those born after 1905 need the full 10 years in order to qualify for retirement payments. They are then insured for life, although they must pay into the program as long as they work.

Can a step-child get survivors' insurance benefits?

Yes, if the child is considered dependent on the step-parent.

My wife died after working in a Social Security covered job for several years. I am supporting our 12-year-old daughter. Can I collect survivors' benefits?

You cannot, but your daughter can until she is 18, if your wife worked for at least half of the three years before her death. The fact that you are working does not prevent your daughter from receiving payments based on her mother's insurance.

What happens to a person's benefits under Social Security if he does not have dependents?

If the person dies, no benefits are paid. However, a

lump-sum death payment may be made to anyone who paid the insured's burial expenses. This lump sum can be paid only if a claim is filed within two years after the worker's death.

Once I retire at age 65, what benefits am I entitled to?

First a claim must be filed before any insurance payments are made. The law permits back payments for no more than six months before the month in which the claim is filed. Then you will start receiving monthly benefit payments. Your dependent wife (or husband) will also receive a benefit, equal to half of yours, at age 65. If you have dependent children, they will receive a benefit equal to half of yours until they reach 18, or marry, or have substantial earnings. If your wife is under 65 but caring for your dependent children, she will receive a benefit equal to half of yours. The maximum per family is 80% of your average earnings, or \$200 a month. If you should die, your dependent widow (or widower, or in some cases parent) who is 65 receives a lifetime benefit equal to three-quarters of yours. If you leave a widow under that age, she collects nothing until she is 65—unless there are dependent children. Then of course she gets a survivor's benefit.

My son is 15 years old and has a chance to take a part-time job. Can he get a Social Security card?

If your son is going to work on a job covered by Social Security, he must have such a card and pay Social Security taxes. Age is not a requirement for Social Security coverage.

Can an attachment or levy be made upon my Social Security benefits?

No. Social Security benefits are not subject to levy or attachment.

Are Social Security benefit payments subject to income tax?

They are not reported on the Federal Income Tax return.

Where are benefit claims filed?

The place to make claims for insurance payments under old-age and survivors' insurance is the nearest Social Security office.

Does a person have to be in need before he can claim payments?

No. A retired worker, his wife or widow, and usually minor children, may qualify for benefits without regard to their financial resources, such as savings, property or

other insurance. However, husbands, widowers, parents and sometimes minor children are required to establish that they had been dependent for at least half their support on the worker on whose benefits they are making claim.

Can a person receive monthly insurance payments if he has income from any sources besides earnings from work?

Yes. A person may receive monthly payments even though he has income from capital investment, annuities, rentals from real estate, dividends from stocks, interest on bonds, or pensions.

Will a person receiving Social Security benefits continue to get payments if he moves to a foreign country?

Yes, unless he moves to one of certain foreign countries where benefit checks cannot be sent due to lack of assurance that the beneficiary will receive them or their full value.

What documents must I take to the Social Security office before I can file a claim for benefits?

You will need your Social Security card and proof of age. If you have military service credits to count as part of your earnings, present your service record and your discharge papers. If you have a dependent wife or husband, you will need evidence of marriage; for dependent children, present their birth certificates.

I will be 65 on October 20 and will be entitled to benefits. If I file my application for old-age insurance then, will I get a check for the whole month of October or only for the portion following Oct. 20?

Your benefit will be for the whole month in which you become 65.

How much am I allowed to earn and still get my Social Security checks?

Beginning January 1, 1955, a beneficiary under age 72 can be paid for each month of the year if his earnings during the year are not more than \$1,200. If you earn more than \$1,200 in a year while you are under age 72, benefits are not payable for some months of the year. It would be wise to contact the nearest Social Security office relative to the retirement test if you work part of the year.

What time of the month are benefit checks mailed?

At the beginning of each month, to cover the preceding month's benefit.

WE'RE ADDING A TOUCH OF PURPLE

To The Memphis

from Thomas

Manager Eugene W. Brown of Royal Petroleum Corporation takes advantage annually of the Mid-South Fair in Memphis to extol Union Oil Company and our products.

Though known as "the home of the blues," Memphis is one of Dixie's most attractive and optimistic cities. An ambitious new harbor project is planned on the Mississippi.

TO many people known of Negro composers wrote such pieces as "Beale Street Blues." Handy really his favorite music two-tone jobs, another color. fact down here in the cranked

Composers of Medlin, A. B. of Royal Petroleum distributors. pany in exhibiting thousands of Royal Petroleum successful distributors

Memphis, is far more than well over a 1 their civic via parks and more 30-story Mercantention to the said to be the describe their shape on the with a good li manufacturing tire factory w Union Oil lub industrial pla community sal creasingly mo America's over

When you fill the cranked and stop sing

ON TOUR



RPLE

Memphis Blues

from Thomas D. Orecchio, Regional Sales Manager

TO many people outside of Tennessee, Memphis is known only as the inspiration of that famous Negro composer, W. C. Handy, who while residing here wrote such popular jazz numbers as the "Memphis Blues," "Beale Street Blues," and "St. Louis Blues." Handy really gave the city a thorough going-over with his favorite musical pigment. But in this day of bright two-tone jobs, Memphis isn't a bit averse to adopting another color. Indeed, it's becoming quite a well known fact down here that it takes Union's purple motor oil in the crankcase to make those '55 models hum.

Composers of the new "Memphis Purples" are J. M. Medlin, A. B. Ivey and H. A. Brown who, as executives of Royal Petroleum Corporation, serve as Union Oil distributors. Their co-operation with Union Oil Company in exhibiting at last year's Mid-South Fair brought thousands of new members into our "Royal" family. Royal Petroleum is considered to be one of the most successful distributors in Eastern Continental Territory.

Memphis, contrary to some ballroom impressions, is far more than a city of syncopated rhythm. Here live well over a half-million people, all deeply proud of their civic virtues, artistic accomplishments, beautiful parks and model educational system. They point to their 30-story Merrick Building, tallest in the South; call attention to their electric surface transportation system, said to be the quietest and cleanest in America; and describe their immense Memphis Harbor Project taking shape on the Mississippi. Providing these Tennesseans with a good livelihood are many of the country's major manufacturing companies, including Firestone's largest tire factory which, incidentally, is being served with Union Oil lubricants. A commendable civic program of industrial planning, transportation improvement and community salesmanship is bound to make Memphis increasingly more attractive to industry and people in America's over-crowded sections.

When you head South, our advice from Dixie is to fill the crankcase with "the amazing purple motor oil" and stop singin' the "blues."

ON TOUR



A. B. Ivey and J. M. Medlin, executives of Royal Petroleum, are co-introducers of the "Memphis Purples," a "76" medley of oil and compounds that takes out motoring blues.

Through the co-operative efforts of Royal Petroleum and Union Oil, this exhibit was visited by more than 50,000 people, who came from many states to see the Fair.



THE 1955 STATUS OF

OF

UNION OIL COMPANY

As Reported to the Los Angeles Society of Security Analysts

September 20, 1955 by President Reese H. Taylor

THANK YOU, gentlemen, for having asked me to talk with you today about the Union Oil Company. The last time you honored me by inviting me to speak before you was in 1951. I am looking forward with pleasure to discussing Union Oil this afternoon, since I personally know many of you who are here today, and know your interest in analyzing oil securities.

After surveying Union Oil Company's past and present, and considering the promise of the years ahead, I am confident of Union Oil's future.

Industry Supply and Demand

Let us first, and very briefly, review the West Coast oil industry supply and demand picture.

For the short term, that is this year, we expect total petroleum demand to exceed total supply by almost 50,000 barrels daily. Inventories at the year-end will be further reduced and at a satisfactory level.

For the long term, we expect total Pacific Coast demand to average 1.3 million barrels daily in 1960, as compared with 1,155,000 barrels daily in 1954. Civilian demand of 954,000 barrels daily last year is expected to rise to 1,140,000 barrels by 1960. Our estimates conservatively contemplate a sustained growth rate of three per cent annually.

Some segments, notably residual fuel oils, will account for a smaller share of the total demand by 1960 than today. But gasolines and jet fuels will account for nearly half of total demand, compared with 43% in 1954. Accordingly, we expect demand of these higher-valued products to grow not less than 5% per year through 1960.

We believe these estimates to be reliable in total, but any one year may show a different pattern. Total demand in the latter part of 1955, for example, probably will show an even better growth, and the full year should be 9% above 1954. This is due partly to an expected 5% gain in fuel oil demand, reflecting the continuing shortage of hydroelectric power.

On the supply side, a substantial increase in California's current crude oil production does not appear to be in the cards. The increase in total West Coast crude oil requirements will largely be supplied by Canadian production.

The Pacific Northwest was formerly almost totally dependent upon California for oil products. Now, the Trans Mountain Pipe Line brings crude oil from Canadian fields to the Puget Sound, while the Yellowstone Pipe Line from Montana and the Salt Lake Pipe Line from Utah supply products to Eastern Washington and Oregon. The combined current capacity of these three lines is 203,000 barrels daily. Two natural gas lines into the area, one now building and one in advanced negotiation stages, will displace some heating oil demand.

In this growth for the West as a whole and in the realignments in the Pacific Northwest, Union Oil has taken, and is taking, effective steps to improve its relative position.

Marketing

Let us review marketing first.

In the first half of 1955, our domestic civilian product sales were 8.5% over those in the like period last year in dollar value. Since 1946, the dollar volume of our civilian products sales has increased every year except one, for an average annual gain of 11.9%. The barrel volume of our civilian sales rose every year for an average growth of 8.2%. This increase compares with an average growth in population in the 11 western states of 3%.

If the population increase in the next ten years continues only at the same rate as in the last few, by 1965 California will have passed New York as the nation's most populous state, and the western states will have gained another six million plus of people.

In addition, the income of the people of the West has also been increasing faster than the national rate. A recent Stanford Research Institute forecast estimates a further and continuing relative increase in income payments to western individuals at least through 1960. For Union Oil, this increase in western population and incomes amounts to a built-in growth factor.

But volume growth alone has never been enough at Union Oil. When the choice was "either-or," we have always chosen quality over quantity, and we have found this to be a powerful business builder. By and large, we are confident we can maintain the quality of our products in addition to promoting further volume growth.

For better service and more intensive penetration, we are acquiring a record number of service stations. This year, through the end of August, we bought, leased, built, or completely rebuilt 289 stations, and expect to raise that total to 354 by the year's end. This compares with 316 in 1954, and will bring the total number of retail outlets handling Union gasoline to nearly 5,000.

People ask from time to time, "Why so many service stations?" The first answer is competition. Surveys prove that convenience ranks high among principal sales stimulants, and so we need to place our service stations—many of them—before the driver's eye and near his home to hold or better our competitive position.

An even more important reason for the station-building is the population growth in our area. People also have more cars—in total and per capita—than they ever had before.

The productivity of our stations has risen due to more efficient operations, better sites, and emphasis on dealer training and selection.

Nearly all our major product categories showed sales gains in the first half of 1955. Our two new gasolines, Royal 76 and 7600 Regular, were introduced last March, and were very well received by our customers. One of the largest sustained advertising campaigns in Company history aims to further stimulate retail sales.

We are proud and happy to have 350,000 active credit card customers today. Their average gasoline purchase is appreciably higher than that made by cash customers.

These are some highlights of Union's marketing picture and future outlook in the West.

We are also gaining ground in our national lubricating oil campaign. Our Eastern Continental Territory, covering 38 states and eastern Canada, reported 1954 lubricating oil sales 14% over the previous year, while grease sales rose 70%, for a total volume of several million dollars. Further impressive gains have been achieved this year.

Manufacturing

Many years ago we laid out a refinery construction program to meet the increasing demands of quality and volume our research men and economists predicted. Ground was broken in 1950 for the first unit. Last April—some 50 months and 70 million dollars later—we started up the final unit. Now while engineers, economists, and research people plan the timing and direction of our next big push, let us survey what has been done.

We put on stream at Los Angeles refinery a 28,500-barrels-per-day fluid catalytic cracking unit; a 40,000-barrels-per-day crude topping and vacuum distillation plant; a cracked gasoline finishing plant; a completely rebuilt butane isomerization unit for aviation gasoline blending stocks; and a sulfur plant.

At Oleum refinery, on San Francisco Bay, we built a 14,500-barrels-per-day Platformer and a 15,750 barrels-per-day Unifiner, both for the processing and upgrading of gasoline stocks. A modern wharf capable of handling seven vessels simultaneously, modern grease kettles, and a sulfur plant were also added at Oleum.

A new asphalt plant was built on Puget Sound in

Washington during 1951. It is now being expanded, with two stills, for the manufacture of up to 100-tons-per-day of air-blown asphalts, which are used for roofing, canal linings, and so forth.

A completely new 35,000-barrels-per-day coking plant went up near Santa Maria, especially designed to handle the low-gravity crude oil reserves in the area.

We recently purchased a 5,000-barrels-a-day asphalt and products plant near Orcutt in the Santa Maria area.

Total crude oil refinery runs in the first half of 1955 were one-third higher than in 1950, just before the building program started. More important than volume is the fact that we now extract 48.7% of gasoline from raw materials, compared to 38.6% in 1950, and only 29.4% of fuel oil, compared to 37.0% before. Accordingly, the average realization per barrel of our product sales in the first six months of this year was 16% over 1950, excluding the effect of price increases.

The Santa Maria building program also brought us benefits not directly related to refining. The value of low-cost crude oil reserves in the area was raised very appreciably by on-the-spot processing into a high percentage of desirable desulfurized cracking stocks and some residual coke. We have now stepped up development of these reserves. By shipping only the gasoline cracking stock to Oleum refinery, and not the heavy coke fractions, we save on transportation.

Transportation

In May, we started using a new pipe line which now transports 20,000 barrels daily of crude oil from the Torrey Canyon area to our Los Angeles refinery. We operate the 12-inch, 65-mile pipe line, with a present capacity of 50,000 barrels daily, under a long-term lease. The substantial transportation savings made possible include the lay-off of a tankship.

Incidentally, a spur is being built to handle our purchase of Universal Consolidated's production on the Fox lot in Beverly Hills through this line.

Exploration and Production

At January 1 of 1955, our gross controlled crude oil reserves were estimated at 598,400,000 barrels. While some 25% higher than they were nine years ago, these reserves declined in each of the last two years. All this decline took place in California where our discoveries were not enough to equal peak production.

California wells, in 1946, accounted for 84% of Union Oil's net crude oil production. By 1954, that ratio had dropped to 80%, and was further down to 79% in the first half of this year—in spite of production near maximum economic rates in California, and simultaneous severe curtailment of allowables in Louisiana, Canada, and Texas.

Economics and logistics prompted our deliberate effort to build up oil and gas reserves in other areas. A million dollars spent exploring elsewhere discovered more new oil than the same million spent in California more new oil than the same million spent in California in recent years. Nevertheless, in spite of the difficulty

of replacing reserves in California, good discoveries and extensions have enabled us to maintain net production in California at the peak rate of more than 80,000 barrels of crude oil daily since 1953.

These discoveries and extensions include the Bourdieu area in Fresno County, and the Sansinena field east of Los Angeles. A well flowing approximately 1,000 barrels daily of 36° gravity crude oil was brought in recently in the north-central portion of the Dominguez field, which Union Oil discovered 32 years ago. It points up the value and success of our intensified sub-surface studies of old producing fields.

Our out-of-state search for new crude oil has been particularly successful in three general areas recently. In Canada, in the South Sturgeon Lake area on land held jointly with another company, substantial reserves of excellent crude have been discovered. Five strings of drilling tools are in operation, and we expect to have at least twenty producers when an 8 million dollar pipe line in which we own an interest is completed. The line will connect with the existing Trans Mountain Pipe Line that extends to the West Coast.

In New Mexico, a major discovery was made in the Catrock Queen field. Fifteen good producers have been drilled there so far. Our production in New Mexico now runs at the rate of about 1,000 barrels daily under curtailment.

In Louisiana, where we currently rank eighth among oil producing companies, our allowable production is about 10,000 barrels daily. In a joint venture with another company, we recently brought in our first offshore well in the Gulf of Mexico, off Plaquemines Parish, and are continuing to drill in the area. We were successful bidders on several large tracts in the Gulf of Mexico at recent Federal offshore land sales, and are bidding for additional promising acreage there.

Substantial hope for new discoveries nearer home was raised recently by the long-awaited bill opening the way for drilling on California's state-owned tidelands. Some experts estimate that California's offshore reserves may be at least as plentiful as those on shore. Union Oil Company has been active in offshore exploration for many years and stands ready to bid on selected tracts as they are offered from time to time.

Less spectacular but effective methods of increasing oil production and reserves are the various secondary recovery methods. In 1954, we started a large-scale water injection project at Dominguez, which has increased current production and added several million barrels of recoverable oil reserves in one of several zones. Currently we are participating in tests of another secondary recovery principle, *in situ* combustion, tried for the first time in California. If found feasible, this process could greatly enhance production from several of our fields.

Shale Oil

Our Company owns in fee about 50,000 acres of the richest and most accessible known oil shale lands in the country. Our reserves are estimated conservatively at five billion barrels of shale oil—ten times our net crude oil reserves.

It has been suggested that shale oil may be, today or very soon, competitive with domestic petroleum. To resolve this matter, we are well into a several-year, 5-million-dollar shale oil research and development program. We expect the program will do three things. *First*, it will test the full-scale operating feasibility of the retorting process developed by us. *Second*, it will confirm present, or suggest alternative, manufacturing procedures and refining designs. *Third*, it will furnish bases for estimating the capital expenditures and the operating expense which will be incurred in answering the question, "Can we produce merchantable products from shale at a cost low enough to compete with petroleum products?"

Time works in favor of oil from shale. Crude oil finding costs will inevitably go on rising while all shale oil finding costs have already been incurred. Also, shale oil processing and refining costs will drop as practical experience is gained.

Natural Gas

The natural gas outlook continues uncertain, but is probably brighter now than at any time since June of 1954, when a Supreme Court decision ushered in Federal control of gas production. The Harris-Hinshaw Bill, which would free producers from direct Federal controls, was passed by the House. I consider the chances good that the Senate, when it reconvenes, will vote for a bill essentially identical with the House-passed Harris-Hinshaw Bill. Under the Bill, the Federal Power Commission would retain some indirect jurisdiction by enjoining pipe line companies from paying more than "fair market price" for gas. The proposed law falls short of letting supply and demand freely set a market price, but it is preferable to the present philosophy that as high-risk and diversified an endeavor as gas exploration and production is a public utility and can, and should be, regulated as such.

A major natural gas delivery contract, prior to FPC assumption of control, called for substantial price increases effective last November. Last February, we were finally allowed to bill the higher prices, but were ordered to hold the difference between the old price and the new one subject to refund. This difference was almost one million dollars through August 31, and has not been taken into our recorded earnings.

We have a Federal Power Commission hearing in Washington scheduled shortly, at which we will ask that the new prices finally be allowed. Favorable action could add the one million dollars just mentioned to our earnings and increase future revenue by the amount of the price increase.

Last year our natural gas reserves were again increased—by 15%. This year, just one month ago, in Beaver County, Oklahoma, we brought in an excellent discovery well, with a calculated open-flow potential of 28 million cubic feet of gas daily, and 17 barrels of 60° gravity condensate per 1,000 MCF. The well is now shut in pending early connection to a pipe line outlet.

A significant recent discovery in the Gulf area was at East Lake Palourde, where we now estimate our reserves to be around 300 billion cubic feet, or almost one-

eighth of the Company total. A potential customer for this natural gas is petitioning the FPC for a permit to build a pipe line to northern population centers.

Hearings are now under way to deliver Canadian gas to the United States Northwest. West Coast Transmission Company, which wants to bring gas south from the prolific Peace River area, had been denied a permit by the Federal Power Commission following earlier hearings. West Coast's new case is much stronger because Pacific Northwest Pipe Line Company, a competitor which formerly opposed West Coast's application, now supports it.

Our proved reserves of natural gas in Peace River and other areas of Canada are substantial, but they were discovered so recently that their extent has not begun to be evaluated. We feel confident that Union Oil's Canadian gas will find its way to consumers' homes in the relatively near future.

Brea Chemicals, Inc.

Our three-year old subsidiary, Brea Chemicals, Inc., has this year shown its first substantial sales and earnings.

Demand in western states for nitrogen plant nutrients, Brea's principal product, is on a steep upgrade, following spreading realization by farmers that each dollar spent on the right kind of fertilizer can result in up to four dollars of added crop value. We expect Brea's sales volume this year to be about 12 million dollars, and one-third more in 1956.

To round out its supply of plant nutrients, already comprising a nearly complete line, Brea has just begun operating a 3-million-dollar, 150-tons daily ammonium nitrate and nitric acid plant, adjacent to the existing ammonia plant at Brea, California. Continued research is being carried on to enhance Brea's service and sales to agriculture, and much research is also being done preliminary to diversification in other fields of organic chemicals.

Earnings and Capitalization

Second quarter 1955 earnings—9.2 million dollars, or \$1.38 per share of common stock—were comfortably higher than first quarter 1955 results of 7.1 million dollars, or \$1.03 per share. However, per share results of the first half of this year, at \$2.41, were lower than in 1954 by 18¢ per common share.

Six main factors affected Union's earnings, partly offsetting each other. Favorable among these were 10% higher civilian barrel sales than in the similar 1954 period, a 2% higher average realization on these sales, and earnings of Brea Chemicals. On the other hand, sales to the military were down from record 1954 levels. Higher exploration costs affected first half earnings adversely. So did higher amortization charges under Defense Certificates of Necessity.

Earnings for the three months, to end next week, show promise of also being satisfactory, even though exact statistics will not be ready for another month.

The Company's financial structure has been considerably simplified in the last year or so.

Last year, 34,543,000 dollars of 3-1/8% subordinate convertible debentures were converted into 843,567 shares of Union Oil common stock. Last March, because of large demands on our cash by the current capital spending program, an issue of 60 million dollars of 3% subordinate convertible debentures was offered to investors. We were gratified to see it go to a premium shortly after issuance.

The net effect of this largest, single, financing transaction in Company history—following retirement of all preferred stock outstanding, and certain debt totaling 15 million dollars—was to add 20 million dollars to the usable funds of our Company.

Again this year, we have budgeted a program of heavy capital expenditures for a total of 93 million dollars. This tops last year's record 92 million dollars, the previous all-time high in our history.

The results of this capital investment over the post-war years have been most favorable. Share owners' equity passed a third of a billion dollars last year, and is now \$52.16 per common share, compared with \$29.95 in 1946, adjusted for a 10% share dividend in 1953. The common share owners' equity has increased 193,100,000 dollars since 1946, of which 100 million dollars was provided by retained earnings. The balance represented common shares sold or issued in exchange for property at prices exceeding stated value of such shares.

An employee stock incentive plan was put in operation in mid-1954, to which employees and the Company contribute. In the first 12 months of operation of the plan, a weekly average of more than 700 shares of Union Oil stock has been purchased on the open market.

Summary

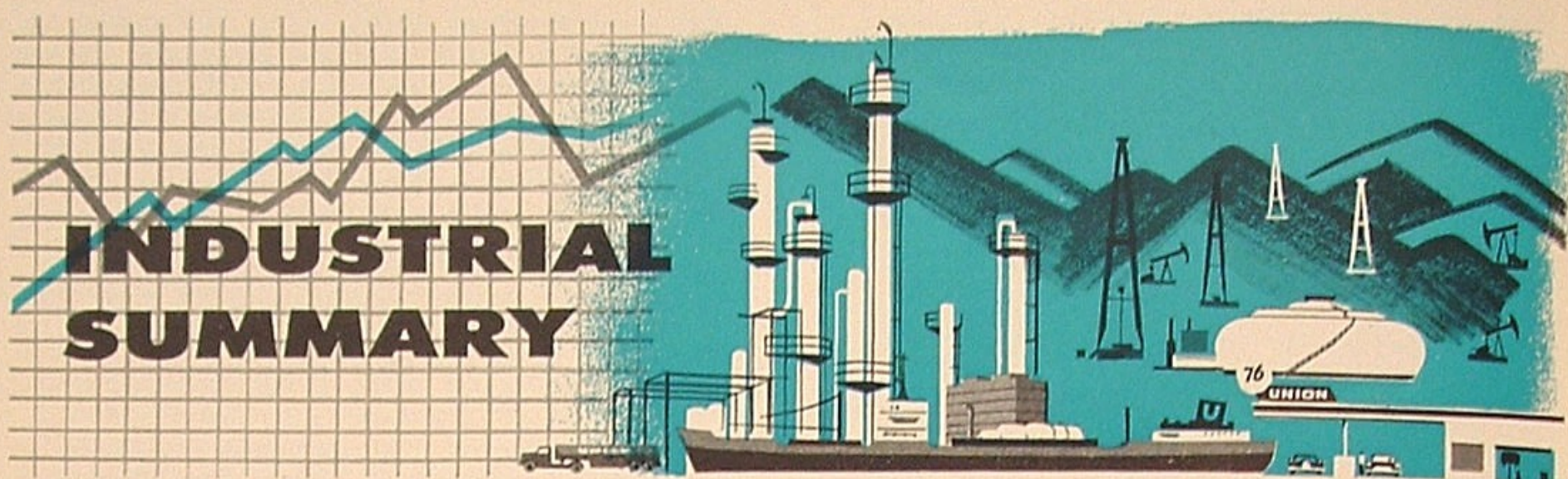
In closing, I would like to summarize my comments by Company divisions. In exploration, we have had excellent success in building up crude oil reserves in Louisiana, Canada, and New Mexico. Discoveries in Louisiana, Canada, and Oklahoma increased our natural gas reserves 5 times since 1946. Current drilling off the coast of Louisiana holds real promise for the near-term future, and California tidelands drilling is not far away. For the longer term, shale oil could become an important factor.

In refining, we make more gasoline and less fuel oil from a barrel of crude than ever before, and our average per-barrel sales realization is rising. In transportation, pipe lines enable us to save on costs, and they also make it practical to sell in areas we could not economically supply before. In chemicals, we picked a product group for manufacturing, which offers excellent sales and profits potentials.

We do business in an area which grows more in numbers and per capita income than the nation as a whole, and our Company growth statistics exceed the regional expansion.

For the future, the West Coast supply and demand outlook suggests continued excellent markets for our products.

For these reasons, I am confident of Union Oil's future.



● EXPLORATION

The primary objective of an exploratory program is generally thought to be the establishment of new crude oil reserves. However, an appreciable number of wildcat successes are gas, rather than oil, discoveries. The question arises as to the relative value of a gas discovery as compared with an oil discovery.

In recent months the Company has increased its gas reserves very substantially by wildcat successes in British Columbia and Alberta, Canada; also in Louisiana, Oklahoma and offshore in the Gulf of Mexico. Had these been oil discoveries, revenues from production would have been forthcoming almost immediately. With gas, it is usually a different story, particularly if the discovery is in a remote area. The problems of markets, transmission facilities, government controls, etc., all have to be contended with, and it is sometimes years before we derive cash values from the exploratory capital invested.

Growth of the market for gas in the United States has been phenomenal in recent years, for its value as a desirable fuel has been increasingly recognized. This growth will continue, and it is virtually certain that, regardless of the remoteness of some discoveries, all gas reserves we have established through recent exploration effort will some day reach a market. But until that time we enjoy no return on many of our large investments.

One factor is present in many producing areas that tends to make exploration for gas more attractive. That is the control over oil producing rates by State regulatory bodies. In recent years heavy and successive cuts ordered in "oil well allowables" have severely reduced revenues from crude oil production where these regulations are in effect. This has not been so in the case of gas production, and the operators of gas wells have been able to offset lower crude oil revenues with increased income from gas, when they are served by pipeline outlets.

from Sam Grinsfelder

● MARKETING

Southwest Territory's retail sales stimulation program entitled T-R-I-M started on August 1 and is continuing through October 30, 1955. The title initials are a reminder for service station personnel to solicit gasoline orders from T-R-I-M customers—those who drive in merely to use telephone, restroom, information or map services. A number of "phantom" drivers are circulating through the various retail sales fields to keep retailers on their toes. Any Minute Man who "catches" one of these T-R-I-M phantoms by cleaning his windshield and suggesting a fill of Royal 76 or 7600 Regular receives a cash award for his alert salesmanship. The program has been well received and a good business-getter.

The newly enlarged and remodeled Union Oil Building in San Francisco accommodated a July meeting of the Board of Directors and an August meeting of our Territory Managers. The building will be featured in a forthcoming issue of ON TOUR. Our employees are invited to make a personal tour of the office facilities.

The Dew (Distant Early Warning) Line project in the Far North, a radar warning network that has gained considerable publicity despite efforts to the contrary, was supplied with aviation and motor gasolines largely through our Northwest Territory. All stock was shipped in barrels from our Seattle dock early enough to reach its destinations before the winter freeze-up.

National & Refinery Sales Department reports Union Oil has been awarded Federal contracts for nearly one million gallons of jet fuel to be delivered in the West during the six months beginning October 1, 1955. Deliveries of JP-3 and JP-4 grades, representing 35% of total military requirements during the period, will be made from our refineries at Los Angeles, Oleum, Bakersfield and Cut Bank.

from Roy Linden

● PRODUCTION

The most concentrated development drilling operation in our divisions is being conducted in the South Sturgeon Lake Field, Alberta, Canada. The Liberal block, owned jointly by Union and Hudson's Bay, has five strings of tools in operation, and two wells are currently drilling on the Amerada block of leases in which Union has a 6¼% operating interest. All of this activity is in preparation for a pipeline outlet from the field, expected to be in operation at the end of this year. By then it is anticipated that there will be 20 producing wells on the Liberal leases and probably 12 on the Amerada leases. Disposal of the crude by pipeline will not only permit a much more stable and uninterrupted operation, it will also reduce transportation costs very substantially.

To fill an increased demand in California for low gravity type crude oil, an accelerated drilling program has been put in motion in certain fields in our Coast Division—principally the Guadalupe Field, where 10 additional wells are scheduled for completion by the end of this year.

from Dudley Tower

● INDUSTRIAL RELATIONS

The Employees' Medical Plan established in 1915 was a Union Oil pioneering achievement in the group medical plan field and, of course, has been followed by many similar private and insured plans. Since

The Employees' Medical Plan established in 1915 was a Union Oil pioneering achievement in the group medical plan field and, of course, has been followed by many similar private and insured plans. Since

NATIONAL SAFETY COUNCIL'S Max A. Koffman of Los Angeles, right, is seen presenting Union Oil Company with three cherished safety awards. From left, Vice President K. E. Kingman holds the Manufacturing Department's Award of Merit for greatly reducing accident frequency and severity in 1954; Vice President Sam Grinsfelder holds the Exploration Department's Certificate of Commendation for working the entire year without a disabling injury; and Vice President W. C. Stevenson is receiving an Award of Merit presented to the Company as a whole for reducing its accident rate appreciably below "par" for the industry.

from John T. King



1915 our own Plan has been revised from time to time, the most recent revisions becoming effective September 1, 1955. Based on studies made prior to the latest revisions, your Board of Administrators are convinced that the Plan offers exceptional coverage and greater protection per premium dollar than can be found elsewhere. During the first half of 1955 the Plan handled some 17,000 cases at a total cost of almost \$197,000. Even more benefits will be paid out under the liberalized Plan. Most fortunate, of course, are those employees who can avoid sickness, but it is a comforting assurance to all of us that such a Plan is ready to function in our behalf.

from W. C. Stevenson

● RESEARCH

Arrangements have been made to modify Research pool cars so that they may serve as a test fleet for field evaluation of new gasolines and lubricants. It will be possible therefore to correlate and compare laboratory tests with actual product performance under customer driving conditions. To be first in the market with products of finest quality is our unending objective.

The building construction program to provide additional office space and pilot plant facilities at Research Center may be completed by December 1, one month ahead of schedule.

from Fred L. Hartley

OIL SALESMAN'S HOLIDAY was the reward of five Eastern Continental Territory representatives who led their fields during the second quarter of a sales contest known as the Sunshine Special. Touring Oleum Refinery during their free introductory trip to the West Coast were, from left, A. G. Moschetti of Georgia, F. J. McCarthy of New York, W. J. Novak of Kansas, S. V. Cutler, Jr. of Michigan and W. A. Portier of West Texas. Continuing from left, R. A. Spiro of Home Office and Dave Zenk of Oleum Refinery served as hosts during the tour of Union Oil Company facilities.

from Clyde Morton



● PURCHASING

All departments of the Company are faced with a 5% to 10% increase in the cost of materials as a result of spreading price increases. In addition to ferrous and non-ferrous materials, fiber shipping cases, paper towels, rubber hose, phenol, well-head equipment, first-aid supplies, brass tubing fittings, and many other items in daily use are higher in cost or expected to advance. To keep our own operating costs down, it is necessary to economize in the use of materials, search diligently for substitutes that will do the job more economically, and watch closely the amount of funds tied up in inventories.

from C. S. Perkins

● MANUFACTURING

Our Cut Bank Refinery in Montana is now producing jet fuel for the Armed Forces. This supply is in addition to that shipped from the Los Angeles, Oleum and Maltha Refineries.

The present sulfur production capacity at Santa Maria Refinery is being doubled by the addition of a second sulfur production unit. This increased capacity will permit continuous operation of the coking plant during the shutdown of either sulfur plant for maintenance.

Oleum Refinery has acquired an additional 503 acres of land adjoining the south border of the refinery, which is expected to take care of future plant expansion.

from K. E. Kingman

● TRANSPORTATION & DISTRIBUTION

Expansion of Company activities is reflected in our increased use of automobile transportation. In 1954, Company and employee-owned cars traveled 17,250,000 miles on Company business, an increase of 1,200,000 miles over 1953. During the first six months of 1955, mileage totaled 9,000,000 miles, showing a continued upward trend in Company activities. Approximately 30% of the mileage during both years is represented by the use of employee-owned automobiles.

The SS PAUL M. GREGG, which sailed from Los Angeles late in July for the Chilean ports of Antofagasta and Coquimbo, was diverted to the Caribbean after discharging her cargo. The vessel has since loaded at the ports of Aruba, N. W. I., Cartagena, Colombia and Caripito, Venezuela. She will continue to trade from that area to Central and South America until her expected return to Los Angeles in mid-January.

from E. L. Hiatt

Letters

*Mr. Reese H. Taylor, President
Union Oil Company of California*

Dear Mr. Taylor:

The Board of Directors of the City of Pasadena is indeed happy to take cognizance of and offer their heartiest commendation for your excellent achievement in voluntarily installing apparatus for the further elimination of air pollutants.

As you know, our City is one of those most vitally affected by "smog." It is our hope that all steps will be taken by every contributor to the pollution of the atmosphere to correct the situation in the shortest time possible. While we have been highly critical of those contributing to this serious problem, we equally want to be most enthusiastic in recognizing the good work of these organizations.

Again, on behalf of the Board of Directors, I extend the official thanks of the City of Pasadena.

*Yours very sincerely,
(Signed) Warren M. Dorn
Chairman*

Sept. 7, 1955

Mr. Reese H. Taylor, President

Dear Mr. Taylor:

The editors of "Advertising in Action" have departed from their usual custom, this month, to make a personal Merit Award to you for your untiring effort in connection with the Invest-In-America movement.

It is a pleasure to present this certificate to you.

*Sincerely,
(Signed) John T. McKenzie
Director of Advertising
Standard & Poor's Corporation
New York*



IN FOCUS

▶ **MISS OIL PROGRESS** for 1955 in Kern County is Sally P. Daniels, center, engineer's assistant in our Bakersfield office. She is seen receiving the "crown" from Chairman Al Dewire while Mrs. Arlis Wessel, the 1954 queen, gives smiling approval.

from George Grimes



◀ **DAVE WATANABE**, left, of our Oleum Refinery lab found his Nisei command of Japanese most useful in escorting Maruzen Oil's T. Wada, K. Shikatsu and E. Kosugi through Company properties in the Bay Area. The three Japanese engineers highly praised Dave's technical knowledge and warm hospitality.

from Clyde Morton

▶ **JOHN MCGUIRE** of Los Angeles Refinery is successful combining his laboratory vocation with a songwriting avocation. Of numerous songs he has written, 10 are under contract and the latest, "Believing," attracted no less than eight New York recording companies. His talent has been recognized in Southern California newspapers.

from Herb Zirnite



▶ **TOM FITZPATRICK'S** retirement on July 31 after 37 years of service, brought out the magnitude of his Irish blarney. At a farewell party attended by 120 employees in Seattle, a call was made for any girl to whom Tom had confided,

"You're the only one for me!" Practically every girl in the house responded, including the bevy of beauties we discreetly refuse to identify. Thus, he departed the industrial scene well daubed with a near record number of lipstick autographs.

from R. J. Sandercock





▲ **SAFE DRIVERS** to qualify for no - accident citations in Costa Rica were, from left (standing), Fabio Melara (four years), District Manager H. A. Dike who made the awards, Daniel Oviede (three years) and Victor Munez (four years). Kneeling are Claudio Fiorvanti and Alphonse Acuna, mechanics who keep Company vehicles in A-1 condition.

from G. F. Waller

▶ **JIM BOYLE**, consignee at Salmon Bay Terminal, hesitated a little before granting the return of a barrel deposit on this container. The brand name "Motorite" stenciled on the barrel indicated its having been on loan for at least 20 years—approximately the date this product was discontinued. The customer blushed slightly.

from R. J. Sandercock



▼ **OMITTED** regrettably from our recent "Portland" story were, from left (standing) Retail Reps. C. E. Powell, E. R. McDonald, H. L. Gordon, T. R. Hutchins, E. W. Rogers; (seated) Charles Lind, DSM-Retail J. T. Raabe and Retail Rep. L. G. Sanderson. These men are doing an exceedingly fine job of supervising our retail sales throughout the Portland, Salem and Astoria areas.

from W. I. Martin

▲ **MARTHA HOHU** and Union Oiler Clarence Hohu, seen at extreme left of photo, are ukelele instructors of great repute in Honolulu. As a result the families Kent, Holroyde, Widener, Rathbone, Crabb, Archibald, Craddock and Layton have made downpayments on shrunk guitars. Get a load of those nimble hula hands!

from J. N. Bateman

▼ **GEORGE SANDERS**, right, of credit Department in Los Angeles receives from Resident Manager W. T. Burgett of Hyde Park a "Club 100" membership on the occasion of his retirement. George is estimated to have issued some \$175 million worth of credit authorizations during his nearly 29 years with Union Oil.

from L. R. Edwards





▶ **DISMANTLING** of the Agitator at Los Angeles Refinery brought together some of the veterans who have operated it since 1919, namely, (back row) Gregg McBride, Charles Hines, Clarence Abernathy, Percy Goodell, Howard Mitts; (front) Ernest Stricker, Thomas Bosanko, Lawrence Hughes and Richard Spaan.

from Herb Zirnite



▶ **SWEEPSTAKES** winners in the Seattle Seafair Parade of Floats were, from left, Ann Marie Dwyer, Corona Wolleschlager, Mary Taylor, Rose Mary Goetz and Bridie Colreavy of our Accounting Department. The girls, all members of the Chancellor Club, Seattle, hold the two awards won by their beautiful float.

from R. J. Sandercock

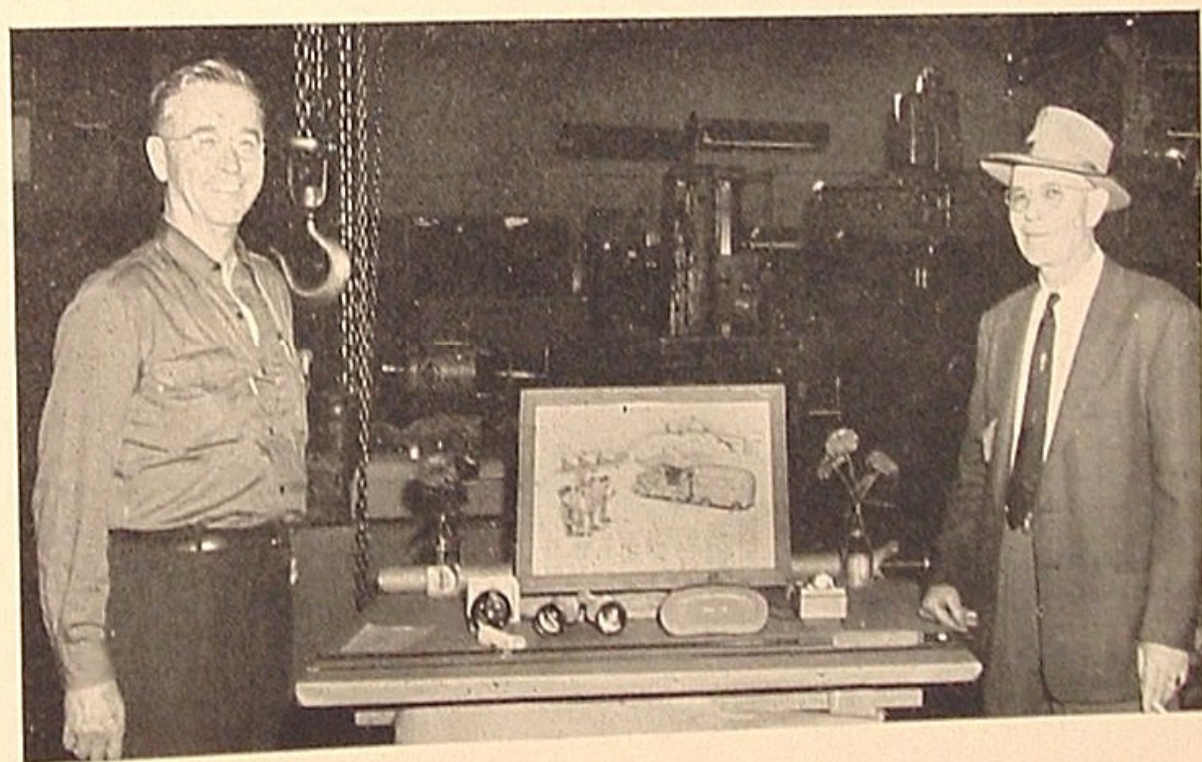
▶ **WILLIAM McNEIL**, right, foreman of the Oleum Refinery valve shop, found a touch of artistry awaiting him on his final day of work preceding retirement. A framed mural by warehouse artist Bill Hays and signed by the "gang" will be his memento of 29 Union Oil years. Les Scroggins, left, was farewell spokesman for the "gang."

from Clyde Morton



▶ **SOL CAMP**, Union Oil consignee at Wasco, rose to the pinnacle of turfdom when his "Scott Frost" won the recent Hambletonian classic for harness horses. Mr. Camp and Driver Joe O'Brien hold the trophy for their great horse while Mrs. O'Brien and Mrs. Camp, right, look on.

from C. A. Goughnour



▶ **MR. PHOTOGRAPHER:**

We know you are not allowed to use flash bulbs on a tankship. But what do you think these pretty Los Angeles Refinery girls would say if we were to report their luncheon aboard the AVILA without apologizing for your wretched solar lighting? Shareholders too!

from H. F. Zirnite



ON TOUR



SERVICE BIRTHDAY AWARDS

SEPTEMBER 1955

MANUFACTURING

Paes, Jose A., Oleum	35
Gale, Ray W., Wilmington	30
Lowrey, Harold W., Oleum	30
Wanlass, Marion L., Oleum	30
Arriaga, Manuel R., Oleum	25
Stinson, Earl C., Oleum	25
Gantz, Darwin I., Wilmington	20
Morton, Carl D., Wilmington	20
Robison, Charles W., Wilmington	20
Verran, Richard C., Oleum	20
Albright, John W., Wilmington.....	15
Hull, Malcolm N., Wilmington	15
Rentzel, Russell R., Wilmington	15
Grandey, Loren F., Wilmington	15
Alvarado, Refugio R., Oleum	10
Bakke, Norman L., Oleum	10
Bousman, Warren W., Wilmington	10
Boyd, John W., Wilmington	10
Caton, Finis L., Oleum	10
Chapman, Leo M., Oleum	10
Cole, Billy E., Oleum	10
Cook, Charles L., Oleum	10
Cook, William D., Oleum	10
Erickson, Homer L., Oleum	10
Girard, Fred D., Oleum	10
Hardin, Edward G., Wilmington	10
Harmon, John, Oleum	10
Harp, Lee M., Santa Maria	10
Henry, Thomas, Oleum	10
Hill, Eugene F., Oleum	10
Hunt, John W., Wilmington	10
Irwin, Frank M., Wilmington	10
Kier, Walter E., Oleum	10
Malek, Elo J., Oleum	10
McLaughlin, Raymond J., Wilmington.....	10
Meeks, Charlie, Wilmington	10
Miller, Harold O., Wilmington	10
Peterson, Gale S., Wilmington	10
Quinn, Edward J., Oleum	10
Recchi, Leo G., Oleum	10
Rose, Daniel B., Oleum	10
St. Onge, Milton T., Oleum	10
Sanderson, David W., Oleum	10
Schatz, John W., Wilmington	10
Simmers, Glenn E., Oleum	10

Tames, Wesley G., Oleum	10
Wildman, Clarence L., Oleum	10
Wivel, Ernest R., Oleum	10
Zuppan, Jesse J., Oleum	10
Owen, Vernon E., Cut Bank	10

PIPELINE

Schmidt, Arthur, San Luis Obispo	35
Truesdale, Clarence, San Luis Obispo	30
Oster, Frank J., San Luis Obispo.....	10

MARKETING

Hostetter, Homer H., San Diego	30
Hohu, Clarence K., Honolulu	25
Gray, Frank T., Los Angeles	20
Perry, Richard E., Los Angeles	20
Averbeck, Bernard J., Phoenix	10
Blomquist, Earl J., Great Falls	10
Botello, Ray F., Los Angeles	10
Davidson, Myron J., Los Angeles	10
Fox, Robert G., Alaska	10
Hancock, Richard F., Los Angeles	10
Hanson, Edward H., San Francisco	10
Harwood, Marjorie E., Seattle	10
Hooker, Harley E., Great Falls	10
Kerth, Frank J., Alaska	10
Nichols, Ralph A., San Diego	10
Parrott, Hazel L., Seattle	10
Price, Nellie P., Seattle	10
Walton, Edward E., Seattle	10

EXPLORATION & PRODUCTION

Talley, Denman E., Bakersfield	30
Lee, Harvey W., Home Office	20
Tincher, Floyd, Bakersfield	20
Brickey, James H., Orcutt	10
Capitani, Eddie H., Orcutt	10
Cathcart, Warren J., Richfield	10
Smith, Charles W., Orcutt	10

COMPTROLLERS

Knoll, Mary A., Home Office	30
Mead, Earle F., Los Angeles	15
Tucker, Ira W., Los Angeles	10

AUTOMOTIVE

Billington, Lester A., Santa Fe Springs.....	30
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Bridges, Melvin C., Santa Fe Springs.....	10
Hart, Eugene P., Santa Fe Springs.....	10
Kurtz, Conrad W., Santa Fe Springs.....	10

BREA CHEMICALS, INC.

Anderson, Stanley H., Brea	30
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RESEARCH

Graham, Jack F., Brea	20
Lueth, Paul F., Jr., Brea	15
Pate, Francis A., Brea	10
Rysan, Frank A., Brea	10
Watson, Kenneth W., Brea	10

PURCHASES

Ward, Ernest L., Home Office	20
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MARINE

King, John D., Wilmington	15
Thompson, William H., Wilmington	10

DISTRIBUTION & TRAFFIC

Parker, Charles S., Jr. Home Office	10
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OCTOBER 1955

MARKETING

Fiske, Marvin L., Home Office	35
Henderlong, Ralph W., Sacramento	35
McQuiston, Thomas, Seattle	30
Evans, David J., Los Angeles	20
Pala, Andrew D., Jr., Los Angeles	15
Ayars, Clayton W., Spokane	10
Bugg, Walter L., El Centro	10
Frary, Edward V., Chicago	10
Jones, Leonard M., Los Angeles	10
Nielsen, Donald L., Home Office	10
Pappas, William, San Jose	10
Rahkonen, Violet D., Spokane	10
Rost, Melna E., Los Angeles	10
Rotondo, Ray F., Oakland	10
Swanson, Theodore A., Seattle	10
Wuorie, Edlund J., San Francisco	10
Brisson, Albert A., Central America	10

MANUFACTURING

Ivy, Jack C., Wilmington	35
Braykovich, Mathew, Oleum	30
Furtado, Joseph S., Oleum	30
Hallander, Stanley E., Oleum	30
Nisson, Byron B., Oleum	30
Fair, Gail W., Wilmington	15
Folks, Gordon J., Wilmington	15

Geach, Edwin A., Wilmington	15
Luman, Vernon M., Wilmington	15
Mangold, Melvin H., Wilmington	15
Millsap, Jack E., Wilmington	15
Bartlett, Carl E., Oleum	10
Bernard, John R., Oleum	10
Cooper, Charles W., Oleum	10
Cornelius, Clifford C., Oleum	10
Dembowski, T. A., Jr., Wilmington.....	10
Eylar, Gene S., Wilmington	10
Halvorsen, Lars J., Oleum	10
Hendryx, James K., Oleum	10
Holland, John R., Oleum	10
Ladwig, Floyd E., Oleum	10
Peterson, Theodore A., Wilmington.....	10
Phillips, Eugene L., Oleum	10
Quinn, Paul J., Oleum	10
Rhodes, Charles W., Wilmington	10
Russell, Claude, Oleum	10
Sargent, Lawrence W., Oleum	10
Terrell, Gervais, R., Oleum	10
Turner, Paul E., Oleum	10
Whiting, Stanley E., Oleum	10
Wirth, Fred A., Oleum	10
Meek, Charles R., Cut Bank	10

PIPELINE

Philbrick, Fred, San Luis Obispo	35
Dana, Leslie R., Jr., Santa Fe Springs.....	10
Fast, Porter E., San Luis Obispo	10
Rose, Frank J., San Luis Obispo	10
Simas, Joe V., San Luis Obispo	10
Sperry, Donald E., Santa Fe Springs.....	10
Todd, Cecil E., San Luis Obispo.....	10

RESEARCH

Renck, Charles H., Brea	20
Ralston, Manford M., Wilmington	15
McFarland, Jean L. Brea	10
Mays, Arthur F., Brea	10
Randall, Mabel L., Brea	10
Ross, Earl J., Brea	10

COMPTROLLERS

Shamblen, Clifford C., Home Office.....	20
Allen, Francis W., Home Office.....	10

EXPLORATION & PRODUCTION

Dobson, Charles M., Cut Bank.....	15
Barnett, Maurice G., Richfield	10
Barry, Milton W., Dominguez	10
Bennett, William V., Texas	10
Fugate, Shelton J., Dominguez	10
Grabill Wilbert F., Orcutt	10
Gray, Ernest M., Richfield	10
Hall, Edward A., Santa Paula	10
Heaton, Earl R., Dominguez	10
Morgan, Jesse C., Ventura	10
Nott, William H., Orcutt	10
Whidden, William D., Orcutt	10

AUTOMOTIVE

Clark, Walter E., Portland	15
Cranmer, Iven E., Santa Fe Springs.....	10
McNeil, Alton T., Orcutt.....	10
Smith, Fred C., Santa Fe Springs.....	10

PURCHASES

DeVasher, Harry L., Home Office	10
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NATURAL GAS & GASOLINE

Sork, Rita I., Home Office	10
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Retirements



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

THOMAS C. ABSHER

Field Department
Employed 12/5/21—Retired 9/1/55

ELMER M. McLACHLAN

Central Territory
Employed 7/26/33—Retired 9/1/55

CORNELIUS T. O'NEILL

Field Department
Employed 3/19/34—Retired 9/1/55

BERT E. RICO, Jr.

Field Department
Employed 4/30/17—Retired 9/1/55

GEORGE F. SANDERS

Southwest Territory
Employed 12/16/26—Retired 9/1/55

LESTER TODD

Field Department
Employed 10/13/22—Retired 9/1/55

ROY WILCOX

Northwest Territory
Employed 12/14/31—Retired 9/1/55

FRANK J. ADAMS

Los Angeles Refinery
Employed 3/1/32—Retired 10/1/55

WILLIAM G. CORNELIUS

Central Territory
Employed 9/19/18—Retired 10/1/55

WILLIAM J. ESPLIN

Pipe Line Department
Employed 11/7/11—Retired 10/1/55

RUDOLPH P. ESTRADA

Pipe Line Department
Employed 6/9/20—Retired 10/1/55

CHARLES G. HUMPHREY

Central Territory
Employed 2/14/20—Retired 10/1/55

CHARLES F. JOHNSON

Los Angeles Refinery
Employed 3/15/26—Retired 10/1/55

WALTER P. KERNAN

Pipe Line Department
Employed 4/2/24—Retired 10/1/55

DONALD L. MENTZER

Pipe Line Department
Employed 8/17/20—Retired 10/1/55

JAMES C. SORRELLS

Los Angeles Refinery
Employed 4/21/30—Retired 10/1/55

ROBERT S. TURNER

Field Department
Employed 10/2/33—Retired 10/1/55

In Memoriam

On August 1, 1955

HUGH B. DENIO

Northern Division Pipe Line
Retired 9/30/51

On August 6, 1955

JOHN G. ROJAS

Purchasing Department

On August 24, 1955

JOHN L. WAYNE

Central Territory

On August 25, 1955

ELMER GARTIN

Comptrollers
Retired 12/31/48

On August 27, 1955

ALBERT E. FOWKS

Production & Exploration
Retired 1/31/31

On August 27, 1955

GUY K. IRWIN

Southern Production
Retired 6/30/48

On August 27, 1955

WILLIAM R. SWINDLE

Southern Division Pipe Line
Retired 8/31/53

On September 5, 1955

JOSEPH FARMER

Head Office

On September 13, 1955

WALTER L. DRAKE

Southern Division Pipe Line

Dr. W. E. Bradley

Or how the amazing purple motor oil turned purple

"YOU'VE heard it said that competition among companies brings you better products ahead of time?

"Then sit in with me out at Union Oil's research center for a spell and see it happen.

"Take the case of the amazing purple motor oil. Some years back we foresaw that car engines coming up would put more than simple lubrication demands on oil.

"So we developed a method of improving oil stocks. It gave us an oil base that was better than anything nature had ever produced.

"To this we added special ingredients: one to keep the engine cleaner, one to neutralize acids from the combustion chamber and to reduce metal wear, another to control sludge formation. And one of these additives turned the oil purple!



"Our new product was so amazingly good it permitted manufacturers to step up horsepowers of their engines. Fact is, this was the original type of heavy duty motor oil used all through World War II.

"We continued perfecting our purple oil, and when peace came we named it Royal Triton and put it on the market. To demonstrate its superiority we filled the crankcases of four different makes of



DR. BRADLEY, MANAGER OF RESEARCH; WITH UNION OIL 24 YEARS.

cars with it, then drove them 30,000 miles without changing oil—only adding make-up.

"When we tore the engines down we found the wear was within the usual factory tolerances for new parts. And every part clean as a whistle.



"If you use Royal Triton in your car today you probably take this kind of performance for granted. But don't forget—it was competition that put the pressure on us to bring it to you long before you asked for it!"

* * * *

Royal Triton has been a success from the start.

Today—in new all-weather 5-20 and 10-30 grades designed specifically for modern high-compression engines—it embodies the latest advances in lubricating oil technology.

Yet Dr. Bradley and his research teams are even now trying to find new ways to increase its margin of superiority.

This is a typical example of how you benefit when free men freely compete for your business.

Union Oil Company OF CALIFORNIA

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