

# UNION OIL BULLETIN

SECOND QUARTER, 1940



SEE PAGE 13

February, 15, 1887.

As set forth in the preceding entries we have this day sold to Hardison & Stewart Oil Company for \$1,000,000<sup>00</sup> of Capital Stock of said Corporation, our entire

property of which the following is a brief and partial summary viz:

575 shares (3/5) of the Capital Stock of the Sepe Oil Company's Oil Lease and Star and Hill No. 3 Wells at Pico.

Oil Lease of Ex Mission Rancho " " " Cochu Canons

1/3 interest in the oil right in a part of the Rancho Simi containing 2001 <sup>25</sup>/<sub>100</sub> acres and by 8 <sup>42</sup>/<sub>100</sub> acres and a part of the Rancho San Francisco containing

698 <sup>41</sup>/<sub>100</sub> acres, eleven lots in the town of Santa Paula one lot in the town of Newhall, one-half interest in lease of oil lands known as the Puente Oil Belt,

one-half interest in an oil lease from Mrs Hancock of the Poca Rancho and the others adjoining her and the last two leases and interest being operated under the firm name of Mr Garland,

Stewart & Company, together with all the oil-wells, rigs, machinery, tubing and casing, lumber, drilling tools, merchandise, horses, mules, wagons, harness &c

A page from one of the ledgers shown on the front cover; it records the activities of Hardison Stewart Oil Company before it became Union Oil Company. Story on Page 13.

# U N I O N   O I L   B U L L E T I N

VOLUME TWENTY-ONE

SECOND QUARTER, 1940

BULLETIN NUMBER TWO

DAVID TAYLOR, *Editor*

## UNION OIL COMPANY EXECUTIVE COMMITTEE\* AND OFFICIALS

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## EDITORIAL COMMENT

In this issue of the Bulletin, you have a new editor. We hope that as you turn these pages you will find what you are looking for. We know that you want to be informed on the varied activities of your Company, and to that end your Bulletin is dedicated.

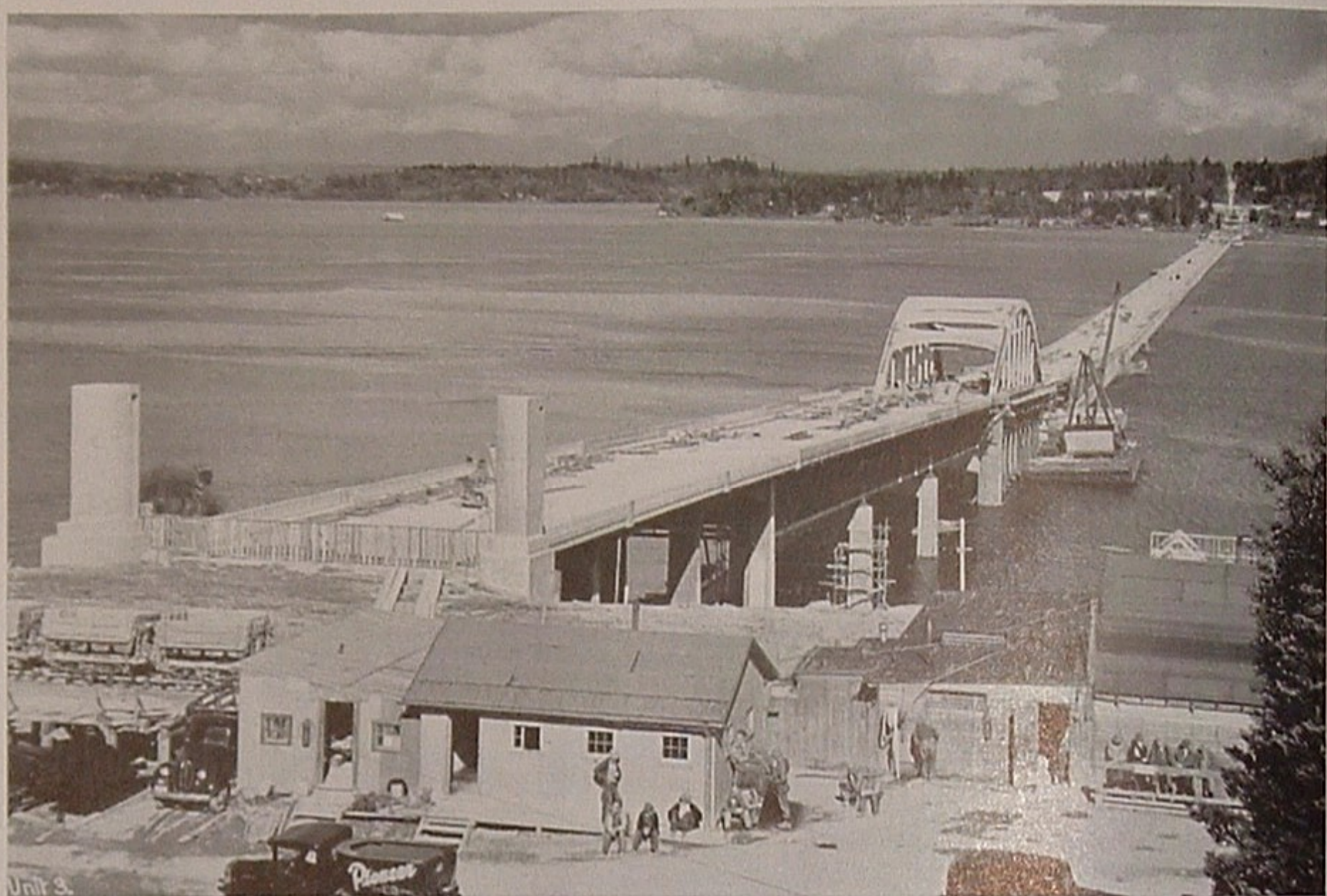
Business and industry are in a constant state of flux. Invention follows invention; improved methods are grown from old routines; endeavour finds new fields to cultivate, and men must change as methods change around them. The pages of the Bulletin will tell of these changes in men and methods thereby becoming a record of the growth and progress of Union Oil Company.

Union Oil Company looks back on fifty exciting years of service. But for every prideful backward glance there must be a dozen forward looks. Business does not thrive on what it has done in the past, but uses past experience only as a guide to the future.

It is what is done today that will guarantee Union Oil Company's NEXT fifty years of service. This cannot be done by one individual; one department; or one division. New fields; new refineries; new sales; or new advertising cannot of themselves insure progress. That calls for an all-inclusive co-operation of stockholder, management and employee.

It is the purpose of the Bulletin to be of service to you. Suggestions and comments for use in future issues will be more than appreciated by,

THE EDITOR.



## UNION PRODUCTS USED IN BUILDING WORLD'S LARGEST FLOATING BRIDGE

**M**ANY inventions and structures have been acclaimed the Eighth Wonder of the World, but the Lake Washington Floating Bridge is one of engineering's greatest triumphs and does belong in the same company as Boulder Dam, The Golden Gate Bridge, The Moffat Tunnel and Saint Paul's Cathedral. It is the largest floating man-made structure in history.

When work on the tunnel approaches was about to start, Mr. E. S. Whitney, manager in charge at Seattle, issued the following instructions: "I am interested only in service and the right kind of petroleum products on this job. I want no 'shut-downs' due to lack of service or failure of your products."

We are proud to report that during sixteen months of operations, Union Oil Service and Products have proved completely satisfactory.

Pontoon or floating bridges are as old as history itself. There is one across the River Tigris at Bagdad, and military annals are full of accounts of the "throwing" of such

bridges across lakes and rivers. The Lake Washington Floating Bridge, however, is, we believe, the first ever to have been constructed of reinforced concrete.

The designers state that the bridge will be absolutely safe in a ninety-mile wind even though loaded with twenty-ton trucks standing bumper to bumper from shore to shore. Although this is a pontoon or "floating" bridge, it does not close the water-way to ship travel. About midway across the bridge there is a sliding section two hundred feet in length. This sliding section can be opened or closed in ninety seconds permitting the passage of even the largest vessels.

From the moment excavation work on the tunnel bores started, Union Products were in use. The pneumatic clay spades used to dig the tunnel were lubricated with Union Red-Engine Oil and all gasoline equipment such as shovels, drag-lines and gasoline driven compressors were lubricated with Triton Motor Oil.

Even in the actual work of pouring the cement lining the tunnel, Union's Red-Line Form Oil and Unimold Oil played important roles. Red-Line Form Oil was used to prevent the cement from sticking to the wood forms which hold the wet cement in place until it dries and hardens. In the case of the steel forms, Unimold Oil was used because it made a perfect seal between the steel and the concrete.

These steel forms, known as Jumbo forms, are built to the same contour as the tunnel. They are mounted on railway trucks which allow the form to be moved to its proper place inside the bore. This form is collapsible, and after the concrete is poured and allowed to set, the form is collapsed and moved farther into the tunnel for another setting.

Before the actual pontoons themselves could be built, two graving docks had to be excavated. This excavation work was done by the Acme Construction Company who used Union Oil Products exclusively. It is inside these graving docks that the actual concrete pontoons were poured and then, when they were set, floated to their positions.

An interesting feature from a petroleum standpoint was the method used in lubricating the veneer forms. The veneers are the pieces of wood which come in contact with the surface of the cement. If the cement were to stick to these veneers there would be "pock" marks on the finished pontoon which would have to be patched and smoothed over.

To prevent this, a mixture of Union Diesol and paraffin wax in the proportion of one gal-

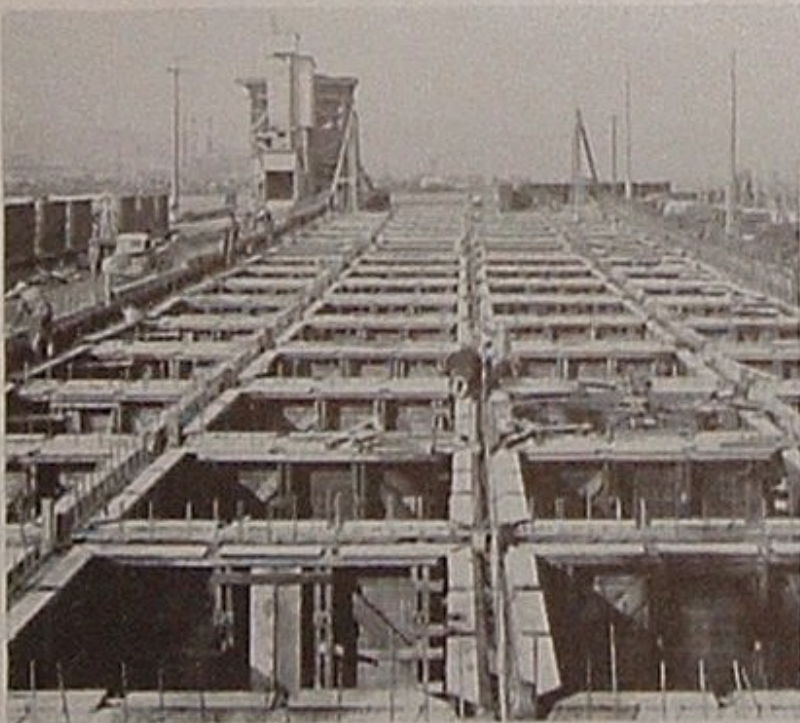
lon of Diesol to one pound of wax was used. After heating the mixture to the boiling point, the veneer pieces were placed in the mixture until they were saturated. Then they were allowed to drain and dry after which they were placed on the forms.

So effectively had the mixture penetrated the veneer that the wet cement was unable to penetrate the veneer. The result was that there were no gouges or "pock" marks necessitating expensive patching.

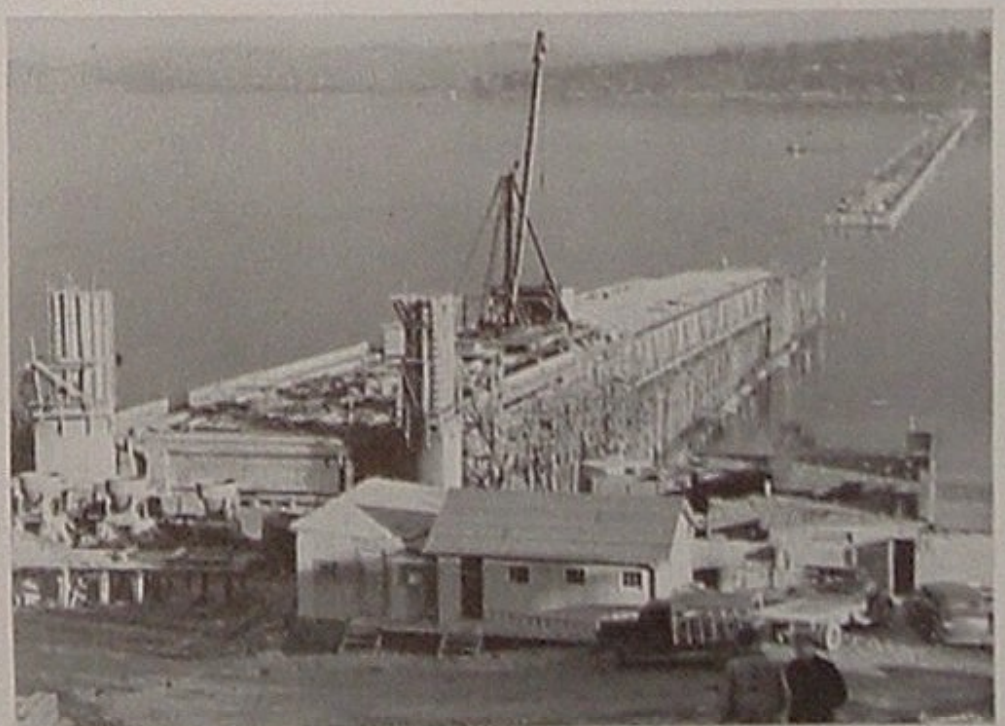
The pouring of the concrete had to be continuous once it had started and on several occasions this huge undertaking was completed in 19 hours. This job was sub-contracted to the H. C. Moss Construction Company (using Union Products exclusively) and the difficult problem faced by Mr. Moss was to find a product to properly lubricate the fancy steel forms he had to use.



Union's Tanker "Montebello" is first large ship to pass through open draw span July 1st.



Above: View from Lake Washington Boulevard, looking northeast. Right: Unit 4. Graving Dock No. 2. Pontoon "C" under construction.



Ordinary form oils would not make a sufficient seal in some of the small crevices which meant the pulling out of pockets of concrete when the forms were removed. This resulted in a slowing up of operations as well as in additional costs for patching. Then "Unoba" grease was suggested as a remedy and tried. "Unoba" was placed on the form with a large paint brush, and, this product being waterproof, the cement was prevented from sticking to the form.

One of the largest road jobs on the project was the removal of 600,000 yards of dirt with its attendant grading, clearing, etc. This was handled by Mr. N. Fiorito of Seattle whose sons, Dan and Paul, superintended the job. On this assignment, Union Oil Products were used in the two diesel shovels, two diesel tractors and twelve trucks.

As this equipment uses about 400 gallons of gasoline and diesel fuel every eight hours with

little over half an hour to refill the equipment, Union representatives improvised a combination truck carrying both gasoline and diesel fuel. Each fuel was pumped by individual pump and through separate meters. The result has been that in doing away with the usual "bucket" filling, there has been no loss of fuel. There are several settings of this type operating at one time, but up to the present Mr. Fiorito has experienced no delay due to failure on the part of Union Oil Company.

The people of the Northwest have many reasons to be proud of their "Greatest Man-Made" Floating structure and one of the best of reasons is that it cost about one-fifth the price of an "orthodox" bridge.

Everyone who lives within reasonable driving distance of the bridge should fill up with 76 and go see it.



Paul M. Gregg

### Paul M. Gregg Retires

Paul M. Gregg, vice-president, director and counsel for Union Oil Company, announced his retirement in accordance with the Company's retirement policy to become effective June 30.

Mr. Gregg is well known for his active participation in the legal aspects of the petroleum industry. He began his association with Union Oil Company at San Luis Obispo in 1904, was retained as general counsel in 1921, and appointed vice-president in 1931.

Mr. Gregg carries with him the entire organization's wishes for everything that he wishes for himself.



L. A. Gibbons

### L. A. Gibbons Appointed General Counsel

L. A. Gibbons, formerly assistant general counsel, took over the duties and responsibilities of general counsel as of July 1st.

In May, 1930, Mr. Gibbons gave up private practice to join Union Oil Company's legal staff. Five years later he was appointed assistant counsel, which position he has held until this most recent appointment. Mr. Gibbons' legal background added to his ten years with the Company make him an ideal choice for the important position he holds.

## IN ANSWER TO A STOCKHOLDER'S LETTER

*if you would put less into advertising and give the stockholders more of their share of the profits, there would be less complaint*

EVERY company receives letters similar to the one reproduced on this page. Answering such letters is difficult because many people have an erroneous understanding of advertising's correct function in business.

Advertising is always on parade. Its very nature and duty demand this, and it is only natural that the public should be more aware of "advertising" than the less obvious "parts" which combine with advertising to make a sales program.

A business house does not take a few clever ideas, turn them into advertising, and then proceed to build a sales program. The reverse is true. A sales program is worked out and an advertising plan adopted which will act as a vehicle to carry the sales program to the public.

In the United States, the cost of advertising is two cents in the dollar's worth of goods and services bought or used by the American public (Printer's Ink, February, 1940).

As a stockholder you use Union products and you probably get these products at your neighborhood Union Oil Station.

But neither Union nor any other company can maintain service stations on the purchases of its stockholders alone. The cost would be so high that even as a stockholder you would not continue to patronize your own Company.

That is where advertising joins hands with distribution and sales effort to bring enough people into stations to make the operation of these stations profitable.

To carry this liaison between advertising, distribution and sales farther, it must be recognized that situations sometimes arise which are beyond the control of any company. Wars may cut down export markets; foreign products may be cheapened because of lowered labor costs; new sources of raw materials may lower values.

When such situations do arise, the margin between cost and selling price is reduced, and profits can be maintained only by reducing operating costs or an increasing volume of sales. This presents "sales" with an additional problem.

This latter is a problem of waging an aggressive sales campaign.

It is in this aggressiveness that advertising plays its biggest part. Business in this highly competitive age does not come automatically. We must fight for it and we must fight to keep it. Advertising is simply a part of the fight to get business, to assure profits with which to pay dividends.

Those firms which have advertised consistently are the one's which have paid dividends year in and year out to stockholders.

Experience over many years has shown consistent advertising to be the cheapest "life insurance" for stockholder's dividends yet discovered. We do not advertise to spend money. We advertise to *make* money. Any time advertising ceases to more than repay the outlay, business in general and Union Oil Company in particular will cease to use it.



Knox Manning, Producer Bill Lawrence, and Mahlon Merrick make last minute changes.

## UNION OIL'S NEW SUMMER RADIO PROGRAM PROVES POPULAR WITH AIR AUDIENCES

**W**HERE or When" Union Oil Company's new Summer Radio Program, made its debut Monday evening June 10. On the air from 7:30 to 8:00 p.m., the new show is in the lighter vein and presents the popular "hit" tunes of the past and present.

Scenes, episodes, and music of the various years are featured rather than the singers themselves, which allows for variety in voices as well as in selections. Mahlon Merrick arranges and conducts while Knox Manning, popular Pacific Coast news commentator and raconteur, tells the stories and sells the products in a deep, good-humored voice.

Humor, fact, and anecdote are combined with music to make easy listening for the less serious tastes of summer audiences. Surveys and reports show that listening habits do change with the seasons, and most so-called "big" programs are replaced by lighter and less expensive programs during vacation period.

The time is 7:30 to 8:00 p.m. Pacific Standard Time, Monday evenings over the Pacific Coast "Red" Network of the National Broadcasting Company. Tune in and hear some of the tunes you've always liked even if you can't quite remember "Where or When."



# UNION OIL COMPANY OF CALIFORNIA

## REPORT

For the Six Months  
Ended June 30, 1940



### TO THE STOCKHOLDERS OF UNION OIL COMPANY OF CALIFORNIA:

The following is a summary of the results of the Company's operations for the six months ended June 30, 1940, and the financial position as of that date.

**PROFITS** (less all expenses and charges, including provision for income taxes) were as follows:

	<u>1940</u>	<u>*Per Share</u>	<u>1939</u>	<u>*Per Share</u>
Profit subject to depletion and depreciation . . . . .	\$7,379,836	\$1.58	\$7,659,714	\$1.64
Provision for depletion and depreciation . . . . .	<u>5,365,456</u>	<u>1.15</u>	<u>5,008,570</u>	<u>1.07</u>
Net profit for the six months . . . . .	<u>\$2,014,380</u>	<u>\$ .43</u>	<u>\$2,651,144</u>	<u>\$ .57</u>

\*Calculated on 4,666,270 shares outstanding at June 30th.

The net profit for the second quarter of 1940 amounted to \$1,248,232, or 27¢ per share, as compared with \$1,596,509 and 34¢ per share for the same period of 1939. Profits have been seriously affected by the drop on May 25th of approximately 2¢ per gallon in gasoline prices in the Pacific Coast Territory, and the lower prices prevailing for fuel oil compared with last year. During the second quarter the Company sold two old tankships, but the profits realized thereon were substantially offset by non-recurring charges. The provision for depletion and depreciation amounted to \$2,919,097 for the three months ended June 30th, an increase of \$407,321 over the corresponding period of 1939.

**CURRENT ASSETS** amounted to \$57,373,789 at June 30th and were made up of cash resources, \$23,535,070; accounts and notes receivable, \$9,484,617; and inventories, \$24,354,102. Current assets were over 6½ times current liabilities of \$8,817,713, including the dividend declared June 24th for distribution August 10th. Net current assets of foreign subsidiaries (chiefly Canadian) amounted to \$2,024,844 U. S. funds and have been included in the consolidation at that value.

Oil inventories aggregated 24,799,000 barrels at June 30th as compared with 25,947,000 barrels at December 31, 1939, a decrease of 1,148,000 barrels.

**CAPITAL EXPENDITURES** amounted to \$6,099,596 during the six months and consisted principally of exploration for and development of additional crude oil reserves, the construction of an alkylation plant for the manufacture of 100 octane aviation gasoline and the expansion of marketing facilities. As part of the program of modernizing the Company's fleet, during the second quarter two old tankships, with a combined carrying capacity of 120,000 barrels, were sold and contracts were placed for the construction of two 100,000 barrel tankships, to be ready for service in 1942. The new vessels will be sister ships of the Company's "L. P. St. Clair" and "Victor H. Kelly," as is the tankship which was contracted for early in the year for delivery in 1941.

**PRODUCTION** of crude oil, less co-owners' interests, but subject to royalty, for the second quarter was 412,000 barrels greater in 1940 than in 1939, and totaled 9,035,000 barrels for the six months ended June 30th as compared with 8,512,000 barrels for the same period of last year. The increase, effected under voluntary curtailment, reflects the continued development by the Company of its producing properties.

**EXPLORATION.** The Company recently discovered what has indications of being a new field on its leases in Vermilion Parish, Louisiana. The discovery well is producing from 200 to 250 barrels per day of 36.5° gravity oil under restricted flow. The Company has 10,205 acres under lease surrounding the discovery well. A second well has already been started, and arrangements are being made to market production of the first—known as the Walter White Heirs No. 1.





**SALES** amounted to 15,306,000 barrels and \$35,136,667 during the first half of 1940, as compared with 15,257,000 barrels and \$35,975,922 for the same period of last year. Shipments to foreign countries were lower due to unsettled conditions prevailing, but were offset by an increase in domestic business.

**EARNED SURPLUS** at June 30, 1940, was \$18,332,298, after deducting the cash dividend of 25¢ per share, which was declared on June 24th to be distributed August 10th to stockholders of record at the close of business July 10th.

**PROVIDENT FUND.** On May 28th the Board of Administrators of the Provident Fund, the former plan for employees' retirement now in process of liquidation, voted to distribute proportionately to all members and beneficiaries the 213,350 shares of capital stock of the Company held by the Fund. This distribution was made on June 20, 1940.

**ORGANIZATION.** Mr. Paul M. Gregg, Vice President and General Counsel, and a Director of the Company, upon reaching retirement age, retired from service as of June 30, 1940. Mr. L. A. Gibbons, who had served in the capacity of Assistant Counsel, was named General Counsel of the Company as of July 1, 1940.

By Order of the Board of Directors,

REESE H. TAYLOR

A handwritten signature in cursive script that reads "Reese H. Taylor".

President

M. G. KERR

A handwritten signature in cursive script that reads "M. G. Kerr".

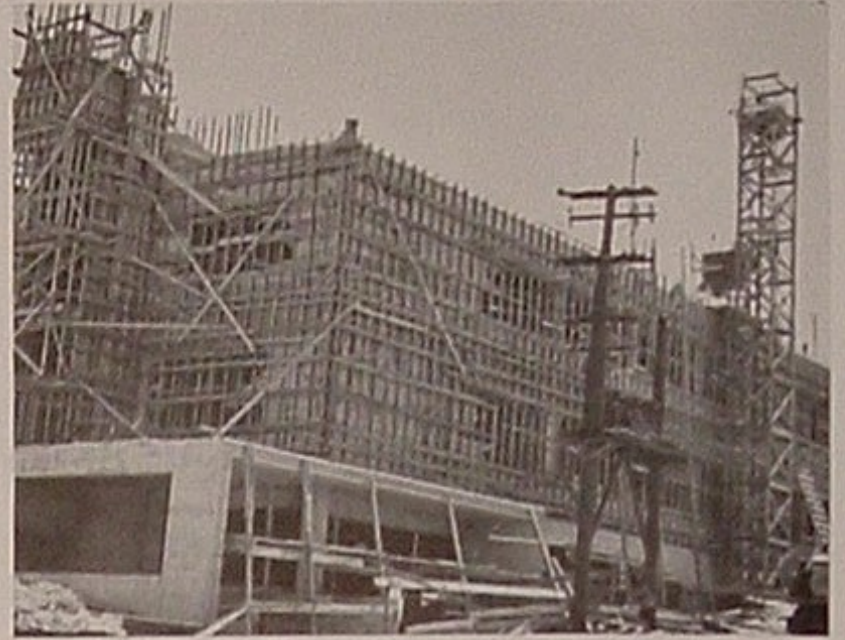
Comptroller

Los Angeles, California  
August 1, 1940

## UNION TO OCCUPY OWN SAN FRANCISCO HOME IN OCTOBER



Ground Breaking Ceremonies.



Present Construction.

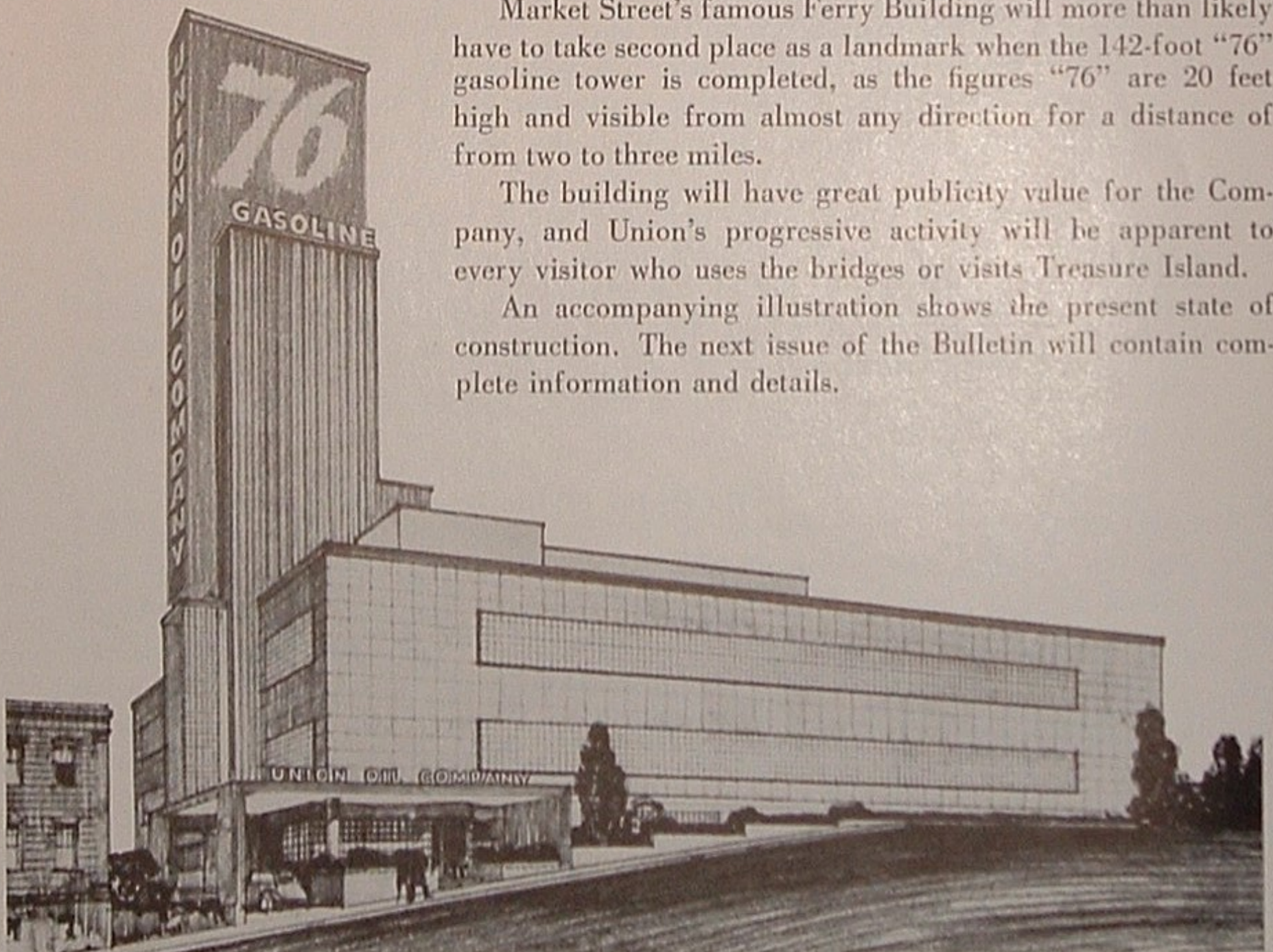
**D**IGNIFIED simplicity and utility are the predominant features of Union Oil Company's new home at present under construction in San Francisco. The building should be ready for occupancy about October and Union Oil Company's customers will find ample parking space and offices arranged for time-saving convenience.

Interior arrangements are in line with modern office procedure and glass partitions instead of walled offices will practically do away with artificial lighting in daytime.

Market Street's famous Ferry Building will more than likely have to take second place as a landmark when the 142-foot "76" gasoline tower is completed, as the figures "76" are 20 feet high and visible from almost any direction for a distance of from two to three miles.

The building will have great publicity value for the Company, and Union's progressive activity will be apparent to every visitor who uses the bridges or visits Treasure Island.

An accompanying illustration shows the present state of construction. The next issue of the Bulletin will contain complete information and details.



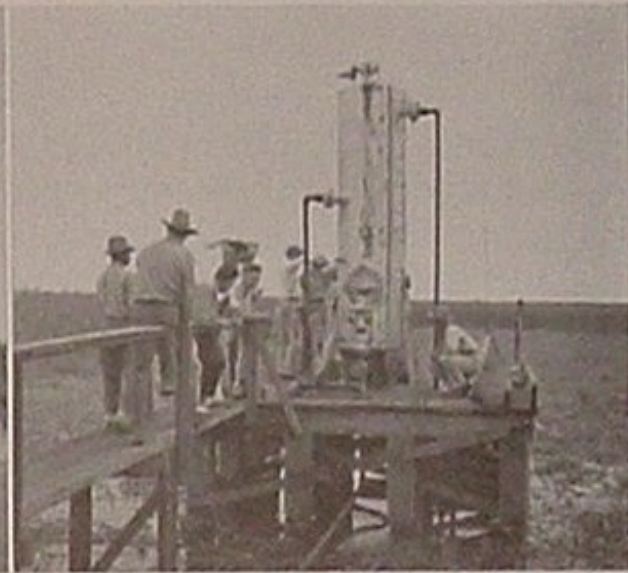
## UNION'S DEEP TEST WALTER WHITE HEIRS NO. 1 COMES IN



Marsh Buggy Has a Flat Tire



Walter White Heirs No. 1



Initial Flow Through Trap

**D**EEP in the Louisiana swamp lands made famous by Longfellow's "Evangeline," Union Oil Company has discovered indications of the existence of a new field. The deep test Walter White Heirs No. 1 is producing 200 to 250 barrels a day under restricted flow. The well is 10,542 feet deep; gravity is 36.5; and the pressure 3,650 lbs.

The discovery well is located on a lease which comprises, in one solid block, approximately 10,205 acres bordering White Lake in Vermilion Parish.

The swamp territory is a network of lakes, canals, and waterways and the drilling equip-

ment was brought to the well-site by barge. The neighborhood abounds in fur muskrat, otter, mink, water moccasins (25 were killed in one afternoon) and alligators. Fishing offers catfish, pike and perch, and from October to March the air is filled with thousands of duck and geese.

Walter White Heirs No. 1 was brought in just as the Bulletin went to press, and already arrangements are being made to market production. A second well has been started and the next issue will bring you up to date with progress of the wells and furnish you with more detail.

### Union's 50 Exciting Years of Service Feted by San Francisco Advertising Club

On May 1st, San Francisco's Advertising Club played host to Union Oil Company. Over two hundred San Franciscans, executives of other oil companies, and business leaders joined in paying tribute to Union's fifty years of successful service to the people of the Pacific Coast.

The room where the luncheon was held was decorated with Triton posters, "76" billboards, and other Union advertising posters emphasizing the wide variety of the Company's products and specialties.

Representing Union Oil Company at the luncheon were President Reese H. Taylor,

Special Representative Alan J. Lowrey, Roy Linden, Central Division manager; S. D. Herkner, Central Division sales manager; Robert L. Philippi, director of public relations and advertising, who as speaker of the day, traced the sales and advertising progress of Union Oil Company during the past fifty years. H. B. Anderson, Union's San Francisco advertising representative, acted as chairman, introducing the guests.

It was an unusual tribute that the Advertising Club paid Union Oil Company and we are gratified to find ourselves held in such esteem by the business men of San Francisco.

## PROTECTING THE STOCKHOLDER

**E**VER SINCE World War Number One ceased to serve as an explanation of depressions, unemployment, and other industrial ills, Industry's methods and morals have been under attack.

These attacks are directed against no one industry, nor do the attacks originate in any one source. Perhaps it was because these attacks had no focal point that collective Industry adopted the attitude of treating the attacks as unwarranted and therefore not worthy of denial.

Perhaps individual industries were too busy fighting for what they considered their share of business to pay any more than passing attention to this guerilla warfare. Again it may be that there was a generally hopeful feeling that the attackers would tire and turn their attention to something else.

There may be doubt as to why Industry did not answer its attackers but there can be no doubt as to the outcome. Industry was in the dog house and something had to be done about it.

On May the 14th, business and business leadership in Southern California had an opportunity to find out first hand what had been accomplished and what was contemplated in the way of showing that industry was not as black as it was painted.

On that date The Southern California Industrial Leadership Conference was held under the sponsorship of the National Association of Manufacturers. Union Oil Company's President, Mr. Reese H. Taylor, a director of the N.A.M., presided at the evening session and gave a concise picture of Southern California's widely diversified manufacturing and agricultural industries.

This was followed by an analysis of the problems Industry was facing and an explanation of what the N.A.M. was doing to solve these problems. Cut to its essential formula, the N.A.M. program is one of taking the public into its confidence.

Pamphlets are being distributed explaining the inner workings of Industry and quoting facts and figures which the public can weigh against the sometimes ridiculous charges made against Industry.

Motion pictures are being distributed to theatres, schools, colleges and clubs, showing how a single factory brings into being the

grocer, baker and candlestick maker; and how dozens of small businesses, not in any way connected with the factory, are born and kept alive by the wages paid the factory workers.

Most effective means of acquainting the public with Industry's side of the question, is the enlisting of individual business men who pledge themselves to fight inaccuracies with fact. Individual industries are advised to give more and more information to their employees through employee publications and at the same time inform their stockholders through reports and stockholder magazines.

Stockholders should be fully informed on all phases of industrial activity. Stockholders are the real owners of business and attacks on Industry, no matter from what source, are attacks on stockholders.

Financial circles as well as Industry recognize this and on April 25th Leslie Gould, Financial Editor of the New York Journal and American, had this to say:

“. . . There are millions of stockholders in America. Most of them also are voters. As stockholders they are the real owners of business. . . . As stockholders they hire the most efficient and best business management in the world. No one can deny that fact. . . . As voters you would naturally think they would put in office the same type of men. Individuals who would work with business, encourage private enterprise and the expansion of private jobs. But instead they put into public office men whose No. 1 purpose seems to be to obstruct private business, harass business initiative and business thinking. The estimate is that there are 18 million stockholders. When you add to this the holders of insurance policies, you will find that more than half of this country's voters are 'haves' citizens with a real stake in the preservation of the American system of private enterprise. They are the real owners of business. They are the real receivers of dividends. When there is a loss, it is out of their pockets. Management is a salaried employee of the stockholder or policyholder. . . .”

That ends the quotation from Mr. Leslie Gould's column. It shows that the National Association of Manufacturers is tackling the problem from the right angle, that of "opening up" and giving the public the facts.

## L. G. METCALF DIES OF HEART ATTACK



L. G. Metcalf

The sudden passing on June 6th of Lester George Metcalf, manager of marine operations for Union Oil Company, came as a distinct shock to his many business associates and acquaintances in Pacific Coast oil and shipping circles.

Respected and loved by all who came in contact with his genial personality, "Met," as he was affectionately known to his friends, was an individual of tremendous capabilities. Aggressive in the performance of his duties, he always maintained a genuine interest in the other fellow's viewpoint. He was noted for his extreme fairness in the handling of employee problems.

A native California son, "Met" was born on September 17, 1887, in Santa Barbara.

He first became associated with Union Oil Company in 1914 as an engineer in the pipe line division. In 1920, he became superintendent of the Company's Oleum Refinery. Six years later he was transferred to Los Angeles, assuming the duties and responsibilities of assistant manager of refineries. He became manager of refineries in 1930. Prior to his appointment last year as manager of marine operations, he served as manager of manufacturing. During the past year he ably directed the Company's tanker fleet replacement program.

"Met" will long be remembered by his business associates as well as his many friends.

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## COVER ILLUSTRATION

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Old books have a fascination about them and those pictured on this issue's cover have interesting memories as well as fascination. They are ledgers, day books, and reports of activities of Hardison and Stewart Oil Company in the days before it became Union Oil Company.

Usually old books are associated with musty book stores, dank, worm-eaten mansions, or too, too quiet museums, but these books repose in the well-lighted, cheery and business-like atmosphere of Union Oil Company's field headquarters in Santa Paula which was the Company's birthplace.

Many interesting tales of adventure, heart-break and success lie hidden between the lines of these business records. Tales of wooden oil tankers long overdue; of prospect wells that turned out to be dry holes; of transportation problems during the very year that Gottlieb Daimler was exhibiting the first automobile, a tricycle equipped with a two-cylinder coordinating engine ignited by a hot tube.

The automobile has come a long way since those days. Petroleum is no longer sought as a poor substitute for whale oil, and bookkeeping entries are calculated on machines of almost human capacity.

But some things remain unchanged and these are the spirit of pioneering that gave Union Oil Company birth, the sound business principles that enabled it to live, and the spirit of service to the people of the Pacific Coast that made it worth while.

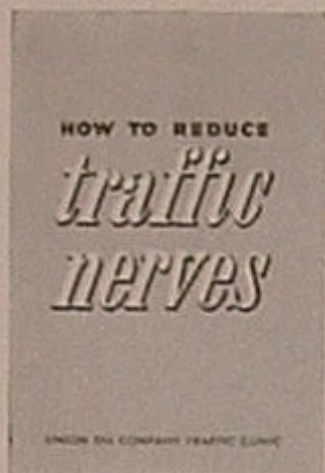
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## TRAVEL NOTE

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Passports are not necessary for U. S. citizens visiting Canada. Union Oil Company of Canada, Ltd., informs us that there are no wartime restrictions and a premium exists on U. S. dollars, so tourists will benefit by the rate of exchange. Union Oil products are available throughout British Columbia and at many points in Alberta. We have credit card exchange with the Imperial Oil, Ltd., throughout Eastern Canada providing the utmost convenience to our credit card customers.

## 800,000 TRAFFIC NERVES BOOKLETS DISTRIBUTED



*"We are servants of the law to the end that we may be free."*—CICERO.

The human trait of smiling at what you do voluntarily but growling at what you're forced to do, is demonstrated in the continued demand for Union's *Traffic Nerves* booklet.

Traffic laws are necessary to protect the INDIVIDUAL, for somehow the individual undergoes a psychological metamorphosis when he changes from a pedestrian to a driver.

He subconsciously rebels against restraint when his foot presses the accelerator and pulsing, throbbing horse power is his to control with the tip of his toe.

Not even the professional race driver is really comfortable driving at high speeds. The wheel must be held too tightly; and there is a feeling in the pit of the stomach when the foot must be lifted from the accelerator before the foot brake can be applied.

All in all there is a lack of comfort. Now, lack of comfort is something (when it is called to his attention) that the average American proceeds to correct, and the booklet on "How to Reduce Traffic Nerves" does add to the *comfort* of driving.

Safety councils, police chiefs, traffic engineers and highway patrol officers recognize that, "by adding comfort to driving, you subtract danger from driving," and so the voluntary reading of a booklet achieves in some instances what a law has failed to do.

This is the first time an oil company has established a clinic of this nature. It is a forward step which will gain momentum and may be credited at some future date with having reduced accidents as well as Traffic Nerves.

The driver who relaxes behind the wheel and enjoys the added pleasures of motoring will not forget that it was Union Oil Company which contributed to his or her pleasure.

## NEW TANKERS FOR OLD

In May Union Oil Company ordered two new Oil Tankers from the Bethlehem Steel Company. This farsightedness in Union's tanker replacement program has been dramatically proved during the past ninety days, for with every passing hour ships are being torpedoed and the demand for more American bottoms verges on the frantic.

The contracts call for two ships of 13,000 tons to be delivered in 1942. They will be modern in every particular. The protections against fire hazard are particularly efficient and include some of Union Oil Company's own suggestions and safety devices.

Navigation and communication equipment is very complete and reliable. Shore to ship communication will materially reduce the cost of operation, since masters can be advised of necessary changes in ports of call immediately.

Officers will find the most modern aids to navigation on board, for the new ships will be equipped with Radio Direction Finder; Gyroscopic Compass and repeaters; Fathometer, and an electric sounding machine.

These additions to Union's fleet represent a degree of progress equalled only by the obvious business wisdom of carrying Company products in Company owned bottoms.

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### Alan J. Lowrey Appointed Special Representative

In a step toward increasing Union Oil Company's activities in San Francisco and the Bay area, Alan J. Lowrey has been appointed Special Representative for the Company with headquarters in San Francisco.

Mr. Lowrey graduated from Harvard University in 1913 and during the war was in the Navy Department in charge of the Personnel and Detail Section of Operations, Aviation.

In 1922 he came to California and later became vice-president and manager of Crocker First Company and manager of the Investment Department of the Crocker First National Bank. Prior to his coming to Union Oil Company he was a partner in the firm of E. F. Hutton and Company.

Mr. Lowrey has made many friends during his stay on the Pacific Coast and with his successful business background Union Oil Company is proud to have him as a member of its organization.





## “76” Windshield Transfers Still in Demand

At the end of a long day's trip, there is something cheering about the sight of a car from the old home town. This probably accounts for the popularity of the “76” Windshield Transfers, for whether it be a state, city, or university “76” transfer that introduces two strangers far from home, these transfers do have that common touch that makes the whole world kin.

They are inexpensive, easy to handle, give ample opportunity for the service station operator to chat with a customer and win his friendship, and they carry their advertising message wherever automobiles can go.

Watch for them when you're on the road, you'll be surprised if you try to count them.



## Union Oil Company to be Birthday Guests of City of Santa Paula

The city of Santa Paula will be a city of memories past and present on Saturday, the 24th of August. On that day the city will be host to Union Oil Company on the occasion of its 50th anniversary.

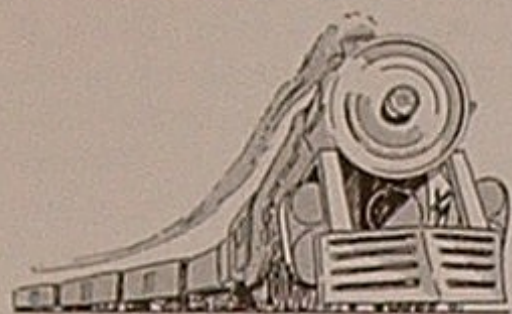
Almost in the shade of the Company's first well, Santa Paula will entertain the Company employees with a parade, a pageant, a rodeo, street dancing and a Mexican orchestra. The spirit of Fiesta will prevail throughout Union's homecoming party, and old-timers will get together to talk of those days best described as “do you remember when.”

It isn't often that a city plays host to a Company, but Santa Paula is very proud of being the birthplace of Union Oil Company and intends to show it during the day on which the keys to the city will be presented to Union Oil Company.

In Torrey Canyon above the city of Santa Paula this venerable well and others like it still produce oil in limited quantities. It was here, with just such a rig, that founders of the Company first discovered commercial production.



# DO YOU KNOW THAT?



Union's LOCOLUBE is the approved lubricant for the Federated Malay States locomotives and that their engine applicators were redesigned to use LOCOLUBE exclusively.

You needn't be afraid of taking in Peru, Burma, or points East or West because of flies or mosquitos. Union's BIF INSECT SPRAY is as much standard equipment in these regions as the "punka," "water boy," "tiffin" or polo.



When your next vacation takes you to San Salvador, Costa Rica, Panama, Straits Settlements, Bali, or the Dutch



East Indies, you may be riding around on roads paved with Union's PAVING ASPHALT.



The washstand basin, tile and tub will take on an extra gloss if you'll try an application of Union's GLASS CLEANER. It won't take the place of bath salts but it will save energy. Mirrors, cut glass, and windows will all have that added sparkle if you use Union's GLASS CLEANER.

Union's SELF-POLISHING WAX is as fine as any you can obtain anywhere. It waxes floors the easy way. It dries bright without rubbing. Try it sometime on that table top that doesn't have the finish you love to touch.



Should business or pleasure take you as far away as South Africa, you can still put TRITON in your automobile. Service stations in Cape Town, Johan-



nesburg, Port Elizabeth, Durban, Bloemfontein, Beira, Salisbury, and many other interior cities sell Triton to change ping to purr for South African motorists.

# REFINED AND CRUDE

By Richard Sneddon

A recent news item states that a fowl with two hearts was discovered on a farm in France. This reminds us of a bridge partner we had once.

*Bridge being that peculiar game in which a good deal depends upon a good deal.*

Also, it may be unimportant but the best hand we ever held belonged to a blonde waitress in Oregon City.

And anytime a husband gets the last word in a debate with his wife, this is usually it: "All right then, go ahead and buy it."

*We understand, by the way, that a law is now being enacted compelling people to stay married for at least two years, so that the furniture stores will get their money.*

One of our very closest friends had been married so long that every time he passes a mailbox he feels in all his pockets.

It is foolish, however, to tell your wife when you first get married that you are unworthy of her. It's better just to wait and let it be a surprise to her.

*And now, if your children have gone to summer camp, may we suggest that you write to them once in a while, even if it's only a check.*

It's no joke being passed up by the postman when your buddies are all getting mail, and besides kids should be treated alike. After all, they are the same in most disrespects.

Junior thinks, for instance, that his English teacher played him a dirty trick when she scored him down to a "D" because of poor punctuation. He claims that his punctuation was okey, in fact, that he was only late twice.

*Much to our surprise, incidentally, we found him on the street corner selling newspapers the other day, and becoming inquisitive about his business venture, enquired, "How much do you pay for your papers?" "Five cents," he repeated. "Why, you can't make any money with that system," we expostulated. "I know," he says, unperturbed, "But I like to stand on the corner and holler."*

Diverging here, an oil man recently attended one of these churches where they have the pledge system. When the collection was taken up, everybody in the row put their little pledge envelopes on the plate, and as our friend passed it along he whispered hoarsely, "I can't vote. I ain't naturalized."

We are further informed that an eastern minister who said the Bible was "inspiring but not inspired" is now resigning but not resigned.

*And when the whale swallowed Jonah, thus demonstrating that it was possible to get a prophet out of water, he gave the milkmen of his time a swell idea.*

Now enquires the hopeful salesman, "Will your boss see me?" To which replies the candid secretary, "He did and he's gone out the back way."

Dramatic critics are debating the question, "Should the curtain be raised at the end of each act?" When they have found the answer to that one, we'd like to ask another. "Should the curtain be raised at the beginning of the first act?"

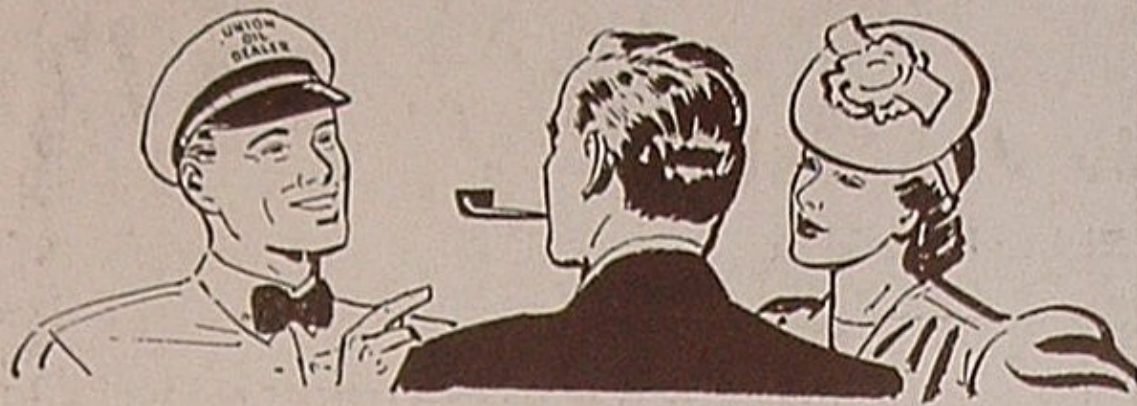
*It seems also to be the consensus of opinion among the critics that all motion pictures should end happily. Yeah . . . and quickly.*

And the sports section of a daily paper carries the headline, "Chess Players in Championship Tussle." There is altogether too much clinching in these games to suit us.

By the way, a meeting of the Association of Hen-pecked Husbands was recently held in Halifax, and we have been wondering if that's where their wives told them to go.

*All of which concludes another congenial semester. Remember, where there's a will there's a way to contest it.*

And if you really think the world owes you a living, go get it yourself—don't send some other guy to collect.




# "Speaking of Operations..."

HERE'S A REPORT ON OURS FOR THE PAST YEAR

SUPPLYING PETROLEUM PRODUCTS to the west is a big job affecting every community out here. We thought you might be interested in this picture of the past year's activities of Union Oil Company, which is owned and operated by Westerners for Westerners.

WHAT HAPPENS TO the dollars Union Oil Company rings up on the register? Do they stay at home here in the west? Do they help the communities where Union operates?

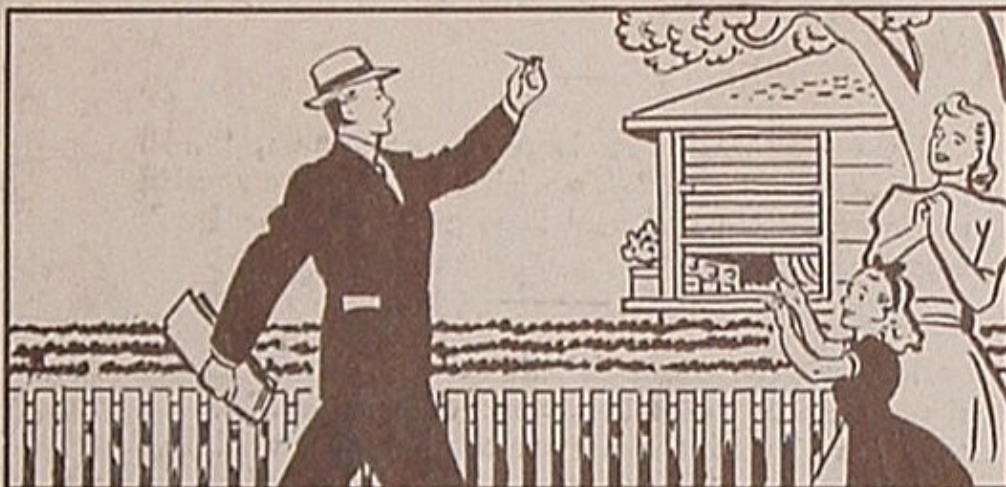
HERE'S THE STORY OF  WHERE THE DOLLARS GO



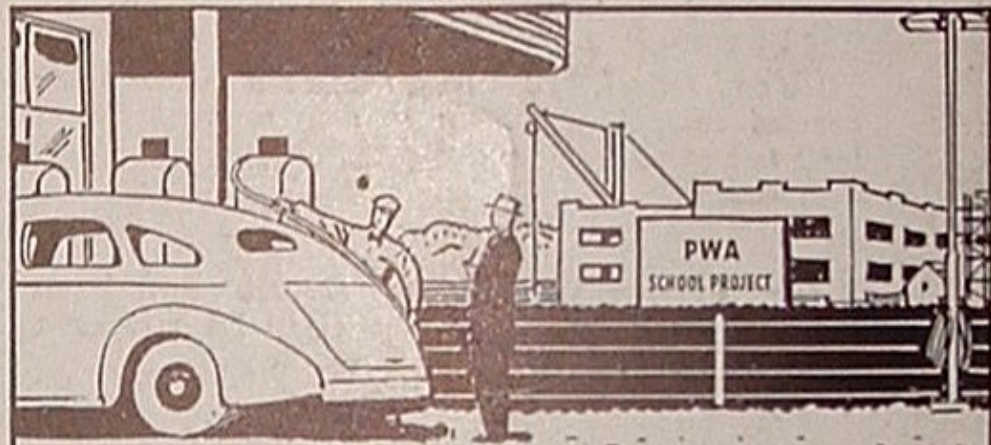
OUT OF EVERY DOLLAR...



WE SPENT 32 CENTS FOR OIL... natural gasoline, other raw materials, and their transportation. These purchases and the cost of bringing the finished product to you brought \$28,944,845 into communities where Union does business.



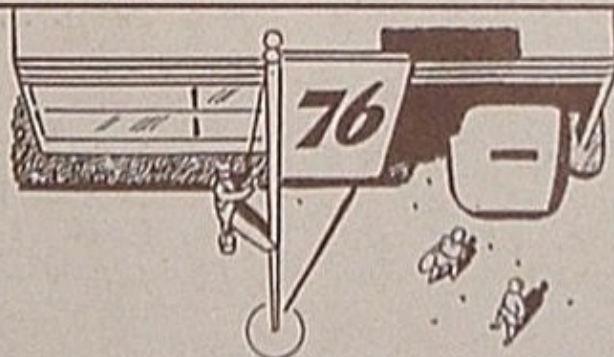
WE PAID 20% CENTS IN WAGES, commissions, pensions, insurance benefits for employees, and so on. This amounted to \$18,179,308, and was practically all spent with merchants and firms in western communities.



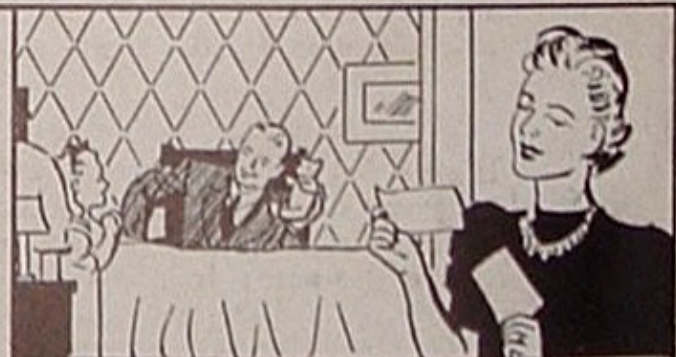
18% CENTS went for taxes, to build roads, schools and in other ways to contribute to the operation of national and local government. All in all, these taxes amounted to a total of \$16,400,360 in 1939.



11 CENTS WENT FOR THINGS THAT WEAR OUT and have to be replaced - equipment, machinery, refineries, ships, etc. This meant purchases from other companies of some \$10,030,360 in 1939.



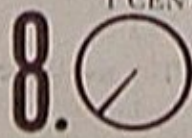
OPERATING COSTS AMOUNTED TO 10 CENTS... for the supplies, packages, barrels, etc., we need in operating. These purchases added up to \$8,005,818.



DIVIDENDS ACCOUNTED FOR 5% CENTS. This total of \$4,899,584 went to the 27,375 stockholders of Union - 80% of whom live here in the west.



INTEREST AMOUNTED TO 1 1/2 CENTS. Like most people and most companies, Union occasionally borrows money on which to operate, and like the others, pays interest on its indebtedness.



1 CENT FOR A RAINY DAY... in other words, Surplus. Just as you keep a surplus on hand "just in case" - so do we. This amounted to a penny per dollar of sales during the past year.

UNION OIL COMPANY WAS "BORN AND RAISED" IN THE WEST

76



Union Oil Company is the pioneer independent oil company of the west. Independent in 1890, it is still independent today. In Union's fifty exciting years it has constantly pioneered in the development of new methods and better products for western motorists.

Best known of Union's products are 76 gasoline and Triton Motor Oil. Triton, first 100% paraffin-base oil developed from western crudes, changes motor Ping to Purr. New 76 gasoline was the first motor fuel especially blended to help reduce Traffic Nerves. Both these leaders are available at Union Oil stations throughout the west.