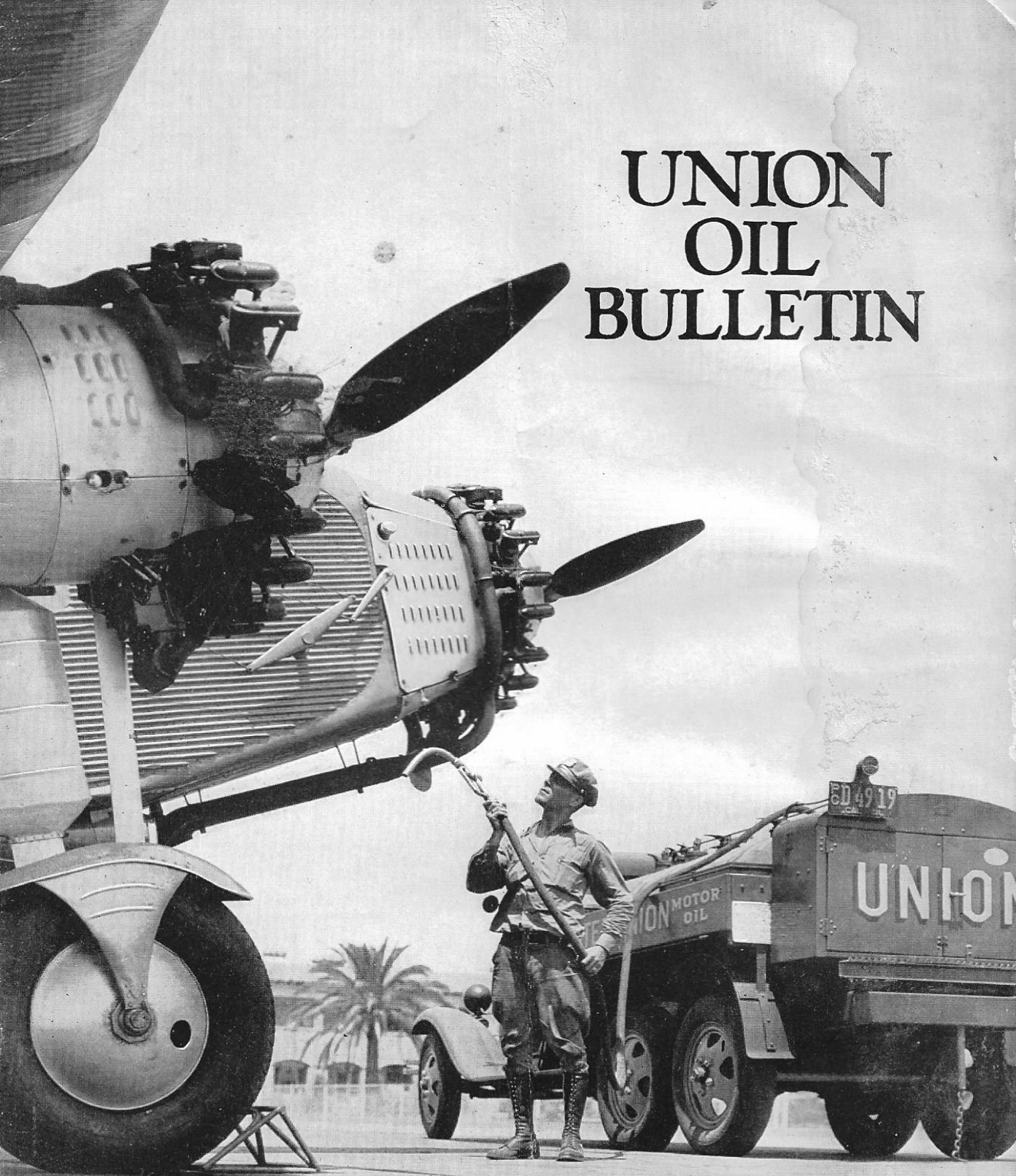


UNION OIL BULLETIN



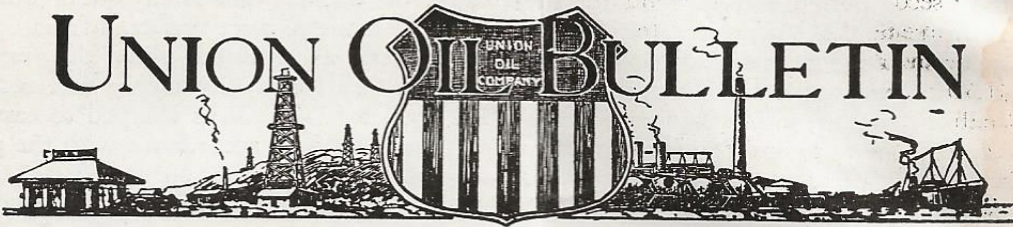
OCTOBER 1931



When Business Makes Way for Traffic

Wilshire boulevard, Los Angeles' most traveled thoroughfare, is being cut through to the heart of the downtown business district. A number of business buildings had to be razed to make way for the section of the street shown above, which is being paved with asphaltic concrete on which Union Asphalt is being used. The Union Oil building, just a half block from the new boulevard, is second from the right.

UNION OIL BULLETIN



EXECUTIVE COMMITTEE* AND OFFICIALS

*L. P. ST. CLAIR.....	President
*R. D. MATTHEWS.....	Executive Vice-President
*W. W. ORCUTT.....	Vice-President
*P. N. BOGGS.....	Vice-President
*W. L. STEWART, JR.....	Vice-President
PAUL M. GREGG.....	Vice-President and Counsel
A. C. GALBRAITH.....	Asst. Vice-President
JOHN McPEAK.....	Secretary
GEORGE H. FORSTER.....	Comptroller
J. M. RUST.....	Treasurer
F. F. HILL.....	Director of Production
R. E. HAYLETT.....	Director of Manufacturing
V. H. KELLY.....	Director of Sales
WM. GROUNDWATER.....	Director of Transportation
*A. B. MACBETH.....	Director

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Address all communications to the "BULLETIN," 802 Union Oil Building, Los Angeles, California.

VOLUME XII

OCTOBER

BULLETIN No. 10

Company Continues Dividend Payments

Operating Profits (Profits after Deducting Costs of Sales and Administration, but before Depreciation, etc.) for First Nine Months of 1931 totaled \$8,600,000 or \$1.96 a Share.

VOTING to continue regular dividends, the Board of Directors of the company, on October 5, met and declared the usual quarterly payment of 50 cents a share. The dividend is payable November 10 to stockholders of record on the company's books as of October 17. Union Associates also declared the regular 50 cents dividend carrying identical dates.

Concurrently with the dividend announcement, net earnings for the nine months ended September 30, 1931, were reported by President L. P. St. Clair as amounting to \$3,200,000, after provision for depletion of oil

lands, depreciation of properties and drilling expenses. Net earnings were equivalent to 73

cents a share on the 4,386,070 shares outstanding during the period. In the similar nine months of 1930 the company earned \$8,000,000 or \$1.84 a share on 4,345,120 shares.

Net income for the third quarter of this year, while substantially below normal earnings, showed considerable improvement over the second three months, but fell short of operating results for the 1930 third quarter. Earnings per share for the third quarter were 30 cents, as compared with 2 cents

To Stockholders:

THE Union Oil Company and Union Oil Associates have some 19,000 stockholders and the Board desires to point out that united effort by all stockholders to purchase the Company's products and induce others to do likewise will be of material assistance in increasing the Company's profits. The Company furnishes essential information as to its affairs to its stockholders every three months and it is believed by the Board that stockholders' interests would be best conserved if they would base their judgment as to the financial position and earning capacity of the Company on official communications and not on the frequently uninformed or misguided opinions from other sources.

for the second period and 41 cents for the initial three months. Approximately half of the nine months' full dividend requirement of \$1.50 a share was earned, but, as in the first half of this year, so for the nine months just closed, operating profits (profits after deducting cost of sales and administration, but before depreciation, etc.) of \$8,600,000 or \$1.96 a share enabled the company to effect full cash disbursements to stockholders without in the least disturbing cash reserves.

Sales for the first nine months amounted to \$48,300,000, a decline of \$19,100,000 or 28.3% from the value of sales for the same 1930 period. The volume of sales totaled 26,250,000 barrels of products, declining 3,050,000 barrels or 10.4% from the 1930 three-quarter-year period. The decrease this year was occasioned mainly by the serious disturbance of the price structure throughout the Pacific Coast territory from March to the latter part of June, and reduction of business in unprofitable foreign and Atlantic Coast markets over practically the entire period. However, the percentage of gross profit to sales is increasing, due to the large reduction in operating expense which will approximate \$5,000,000 for the full year 1931.

Operating profit, subject to depreciation, etc., for the nine months was \$8,600,000 compared with \$16,500,000 for the same period in 1930. Provision for depletion, depreciation and drilling expenditures amounted to \$5,400,000, a decrease of \$3,100,000 from the \$8,500,000 set aside for the first nine months of 1930. This decrease was occasioned principally by the fact that the company operated an average of only six strings of tools in California during the period, as compared with 23 strings in the same 1930 period, and to the decreased production of crude oil through further curtailment in the state.

Inventories of crude oil remain valued at prices prevailing on September 30, the posted prices being the same as on June 30, last, at which time the company wrote down, or revalued, all inventories to current prices. All inventory losses realized be-

cause of withdrawals from stocks during the nine months, were deducted from operating profit as reported, while the residue of inventory losses—commonly referred to as "book loss"—remains charged to earned surplus. This is in accordance with the policy pursued on June 30 this year, and which is identical with that adhered to during 1923, a previous year of deflated prices.

Production, subject to royalty payments of crude oil and natural gasoline for 1931 to September 30 approximated 11,200,000 barrels, a decline of 2,700,000 barrels from last year's nine months' production. The company's present average daily production, subject to royalty, from 434 wells, producing in accordance with curtailment schedules, is about 41,000 barrels. In addition, 520 wells capable of producing approximately 60,000 barrels a day are shut in.

About \$4,400,000 was expended by the company during the nine months principally for additions and improvements to marketing facilities and refineries, necessary pipe line extensions and for such oil lands development as was necessitated by lease requirements. This was \$8,400,000 less than the capital outlay for the same period in 1930.

The company is in one of the soundest financial positions of any petroleum company in the nation. Total current assets (exclusive of 50% interest in Union Atlantic Company), consisting of cash, Government and other bonds, accounts and bills receivable, oil inventories valued at current prices and materials and supplies, approximated \$57,000,000 on September 30. This was a decline of about \$11,425,000 from the end of 1930, but cash resources—cash in banks, United States Government and other bonds—of \$18,000,000 were only slightly below the \$18,135,000 on December 31, 1930. Current liabilities, consisting of accounts payable, reserve for taxes and accrued interest, were decreased by \$2,336,000 to \$5,000,000, placing current assets in excess of 11½ times current liabilities. Cash resources alone were equivalent to over 3½ times total current obligations. Bonds and purchase notes were reduced to the extent

The BULLETIN herewith reproduces a facsimile of a letter written by two stockholders, George C. Hanna and Edward S. Warren, to John McPeak, secretary of the Union Oil Company, commending the action of the Board of Directors in declaring the regular dividend for the third quarter of 1931. It is typical of letters that are being received daily and contains a resolve particularly pertinent at this time and one that could profitably be made by all stockholders.

TERRACE 0416

EDWARD S. WARREN
400 CITIZENS SAVINGS BANK BLDG.
PASADENA, CALIFORNIA
#6th of Oct--1931.



Mr. John McPeak.
Union Oil Bldg.
Los Angeles, Calif.

My dear Sir:--

A word of commendation

hursts no one:-the undersigned ere two (long time) Union Oil stockholders that certainly fully APPRECIATE the declaring of the Nov 10th dividend by The Board:--doubly so, during these *TIMES*.

We plead "guilty" to having been a bit careless @ times in going to the most convenient Oil station for gas and oil:--but, in the future, we have both resolved to GO OUT OF OUR WAY to seek Union Products when we believe The Board of Directors went "out of their way" in declaring the next dividend. It has always been a PLEASURE (in the past) to patronize a UNION station but now we make it a **DUTY**.

Very truly yours,

George C. Hanna

George C. Hanna.

Edward S. Warren

Edward S. Warren.

of \$1,741,000, bringing the total reduction in liability accounts to \$4,077,000 for the period, as compared with a net increase of \$12,950,000 for the 1930 nine months.

The company's marked ability, during such a period of stressed conditions as prevailed for the first nine months of this year, to maintain regular dividends, provide for necessary capital expenditures, continue the reduction of indebtedness—both mortgage and current—and yet close the period with cash resources approximately the same as at the close of 1930, reflects the exacting care with which the management conducted corporate operations. In fact, the net earnings

for the September quarter would have exceeded the regular dividend of 50 cents, if these had not been reduced to the reported level by charges for realized inventory losses, and if present lower operating costs had been fully in effect. After fully absorbing these latter losses, the period closed with earned surplus approximating \$21,000,000, and capital surplus of \$38,000,000.

Cash operating costs for the year 1931 will be about \$5,000,000 less than for 1930, and drilling expenditures for this year also will be about \$3,500,000 less than for last year. These economies will be more apparent in the results from now on.

Large Gain Made in Union Stockholders

*Cash and Stock Dividends Paid by Company Since
Its Incorporation—Including Third Quarter of 1931
—Total \$179,430,941.*

REGISTERING a gain of 16.14% in the first nine months of 1931, stockholders of Union Oil Company of California on October 1 totaled 13,407, the largest number to be carried on the books of the company since its inception. At the close of 1930 the company's shareholders numbered 11,544, the increase since that date amounting to 1,863.

Stockholders of Union Oil Associates during the first nine months of 1931 increased from 5,107 to 5,996, a gain of 889 or 17.4 per cent.

The shareholders of both companies on October 1 aggregated 19,403, as compared with a total of 16,631 at the end of 1930, and 15,221 on September 1, 1930.

There are 4,386,070 shares of Union Oil Company stock outstanding, of which 56.9% or 2,498,051 shares are owned by Union Associates which in turn has stock outstanding and in public hands on the basis of one share for each share of Union Oil stock owned. This has reduced the free stock outstanding of Union Oil Company to 1,889,019 shares. The dividends to Union Oil and Union Associates stockholders are identical, excepting that from each

February quarterly dividend paid by Union Associates a small amount is deducted to defray its corporate expenses.

Union Oil stock is listed on the Los Angeles, San Francisco, Seattle, Honolulu and New York Stock Exchanges, and Union Associates on the Los Angeles and San Francisco Stock Exchanges. Stockholders of the operating company reside in every state in the Union with the exception of New Mexico, and in 10 foreign nations: Canada, Dutch West Indies, Cuba, Mexico, New Zealand, France, Germany, Great Britain, Ireland and Japan. Union Associates is distributed in 43 states and in Australia, Canada, Great Britain, Ireland, New Zealand and South Africa. Stockholders of both companies reside largely in California and on the Pacific Coast, and although men make up the majority of total stockholders, several thousand women stockholders are recorded on the books of both companies.

With the payment on November 10, next, of the dividend of 50 cents per share for the third quarter of 1931, voted by the Board of Directors on October 5, Union Oil stockholders will have received cash disbursements totaling \$114,357,275 since

the company's incorporation in 1890, of which \$113,766,775 have been paid since January 1, 1900. Dividends, cash, interspersed with extras and stock dividends, have been paid uninterruptedly since 1890, excepting in 1914 and 1915, during which years dividends, though not paid, were fully earned at rates obtaining in 1913 and 1916. Omission of dividends in those years permitted the payment of short term maturing indebtedness and strengthening of cash reserves. Stock dividends of 200% in 1908, 10% in 1918, 80% in 1922 and 1% quarterly in the last period in 1929 and throughout 1930, or a total of 295% have been paid, representing a distribution at par of \$65,073,666. Total cash and stock dividends since 1890 aggregate \$179,430,941.

With the exception of the first half of 1931, Union Oil has each year since 1900,

reported net earnings well in excess of cash dividends. During the 10½ years ended June 30, 1931, the company earned a gross profit, calculated on the average number of shares outstanding each year, of \$68.30 per share of which \$34.73 was set aside as reserve for depletion, depreciation and drilling expenditures, leaving a net income of \$33.57 per share. Calculated on the larger number of shares now outstanding, i.e.: 4,386,070 shares, the gross earnings during that period were equivalent to \$51.59 per share; the amount set aside for depletion, depreciation, etc., \$26.51, and the net earnings, \$25.08 a share. Cash dividends during the same 10½ years were equivalent to 70% of net earnings, while for the 31½ years from 1900, cash payments to stockholders have approximated 60% of total net earnings, the remaining 40% being re-invested in the company.

Company Marketing Winter Gasoline

A "WINTER UNION" gasoline that will start instantly in cold motors, even in sub-zero temperatures, is being placed on sale this month throughout the company's Pacific Coast marketing territory. In the northern districts the gasoline was available at all stations by the 10th, while in the southern districts some of the outlying sections did not receive the new gasoline until about the 15th.

The company has for the past few years made a special feature of its winter gasoline and has this year brought it to a higher degree of perfection than has been previously attained.

Because of the direct bearing which atmospheric temperature has on the performance of gasoline in the motor, the company's research engineers made a detailed study of the prevailing temperatures of the various districts in the company's marketing territory during the fall and winter months be-

fore drafting specifications for the winter gasoline. On the basis of the data obtained, the gasoline being marketed in the northern districts and mountain areas is being manufactured to different specifications to that being marketed in the warmer sections of California, Nevada and Arizona.

This has made possible the elimination of vapor-locking, caused by gasoline boiling in the automobile fuel pump, fuel line, or carburetor, a difficulty frequently encountered in winter gasolines manufactured to one specification regardless of the range of temperatures in which it might be used.

In obtaining quick starting and eliminating vapor locking the company has manufactured an ideal winter motor fuel.

In addition to the features just mentioned the new "Winter Union" gasoline retains the mileage qualities for which the summer grade has long been noted.

Building Seattle's New 75,000,000-Gallon Reservoir

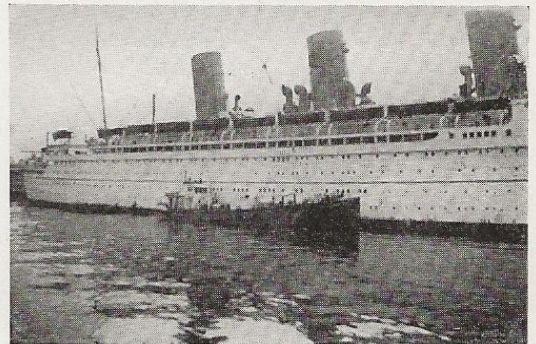


In the upper photograph is shown sizeable hill that had to be removed before Seattle's 75,000,000-gallon water reservoir could be constructed. Lower left, from left to right: W. H. Stillman, special sales representative of the Union Oil Company in Seattle, R. S. Seabrook and C. M. Elliott of the contracting firm, Elliott, Stroud Bros. & Seabrook, excavation contractors on the project. Lower right, the reservoir as it appeared with the excavation work virtually completed.

Seattle's new 75,000,000-gallon water reservoir, one of the largest construction projects undertaken in recent months by the city, is nearing completion. It will be 915 feet long and will have an average width of approximately 755 feet and a depth of 26 feet. The excavation and concrete work, which was done by Elliott, Stroud Bros. & Seabrook, general contractors, cost in the neighborhood of \$400,000. Two hundred and forty-five thousand cubic yards of earth were excavated and rolled, and altogether approximately 400,000 cubic yards of earth handled.

The contractors operated fifteen dump trucks, one gas ditcher, two scrapers, five shovels, one drag line, two dump tractors, five tractors, three ten-ton gas rollers, one steam roller and one sheep's foot tamper on the excavation job alone. One hundred and fifty thousand gallons of Union gasoline and 100 barrels of lubricating oils were used in the equipment during the course of operations.

Fueling Pacific Liner



The above photograph was taken recently at Vancouver, B. C., while the M/S Olinda was bunkering the S.S. Empress of Japan, one of the most palatial of the trans-Pacific liners.

Service Emblem Awards



Peter Miller, Jr.



A. V. Silva



J. D. Rearden



C. F. Pedrotta

25 Years' Service Recognized

RECOGNITION for having served the Union Oil Company continuously for the past twenty-five years was given to Peter Miller, Jr., C. F. Pedrotta, J. D. Rearden, and A. V. Silva last month, the shield and torch service emblem of each being adorned with a third ruby. The ranks of those who have completed twenty years' service were swelled by the addition of F. E. Beckert, Valentine Lopez, R. E. Pierce, W. L. Standard, Fred Rank, and Simeon Hanna.

After learning the art of laying bricks from his father in oil refineries in Ohio, Peter Miller came to the West Coast and in 1906 obtained employment with the company at the Oleum refinery as brickmason. Since that date he has had charge of all brick work and brickmasons at Oleum. He constructed asphalt stills Nos. 1, 2, 3, and 4, and was inspector of brick work when stills Nos. 41 and 50 were built. Miller carries a remarkable service record, having never lost a day's work due to accident or illness during his thirty-four years as brickmason, and has instilled the practice of safety into his men, enabling them to establish an enviable record.

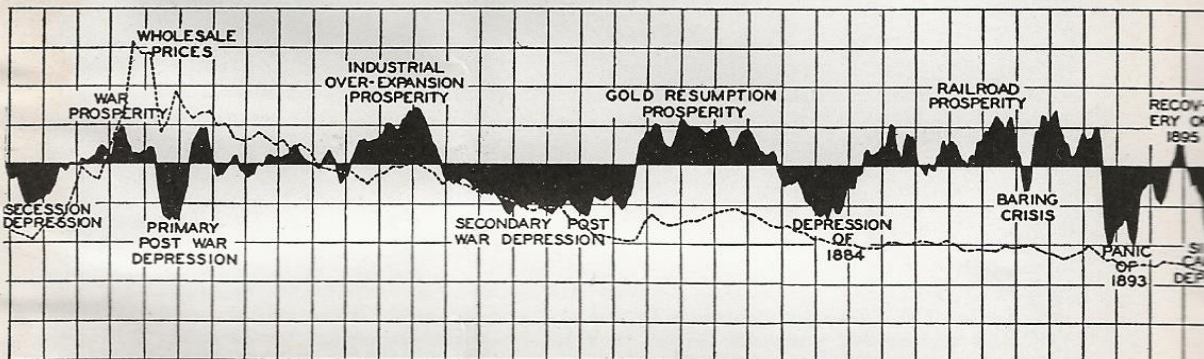
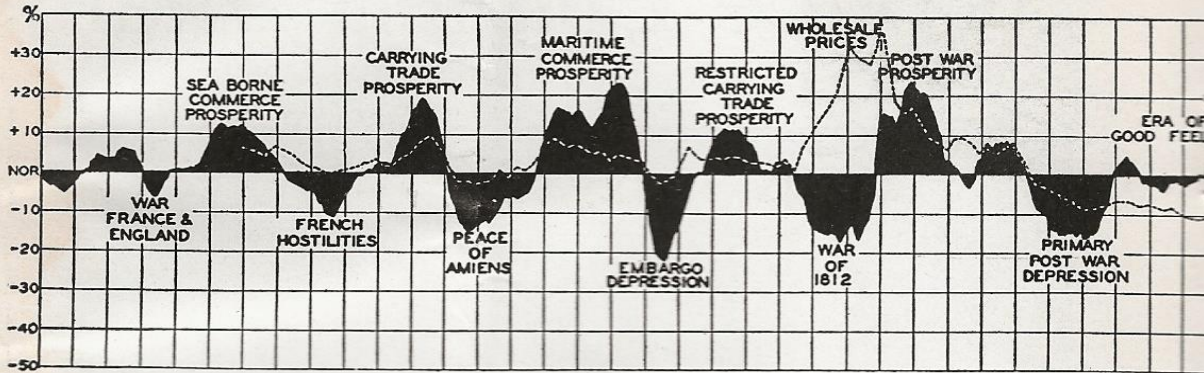
C. F. Pedrotta, statistician of the Manufacturing Department for the past 13 years, began his employment at the old Sixteenth and Illinois plant in San Francisco in 1906. The following year he was transferred to Oleum refinery where

the major expansion program at the plant was in progress. Here he witnessed the building of the first ten refining crude stills. During the next three years Mr. Pedrotta served in various capacities at the refinery, gaining a general knowledge of operations which was to serve him in the ensuing years. Since 1910 he has been a part of the Manufacturing Department, working in San Francisco until 1917, when the department's headquarters were moved to Los Angeles. Following his transfer to Los Angeles he was appointed statistician of the department.

J. D. Rearden has grown up with the Traffic Department, of which he is now manager. When the department was formed in San Francisco in 1906, he took the job of order and traffic clerk. At this time, the company operated about 25 tank cars, about one-thirty-fifth of its present tank car fleet. Three years after his first employment, Rearden took the post of acting traffic manager at San Francisco and the year following was appointed traffic manager of the northern division. He came to Los Angeles as general traffic manager under E. W. Clark, then manager of transportation, in 1914. Mr. Rearden finds time to devote his efforts away from the office to various organizations whose primary concern is traffic problems. He is a member of the San Francisco and Los Angeles Traffic Clubs, vice-chairman, petroleum committee, Pacific Coast Transportation Advisory Board, and member of

Rise and Fall of American Business Activity

--WAR BOOMS FOLLOWED INVARIABLY by PR



Compiled under the direction of Col. Leonard P. Ayres, vice-president of the Cleveland Trust Company of Cleveland, O., and recently reproduced in the Los Angeles Times, the comprehensive record above portrays the swings of American business activity from prosperity to depression over the last 142 years.

The light dashed line running through the diagram represents the course of wholesale prices, if the average for 1929 is taken as equal to 100. It shows that three times during the past century and a half the level of wholesale prices of commodities has been more than twice as high as it is now. The first time was during the War of 1812, the second one during the Civil War, and the third was during the World War. In the '40's and in the '90's the prices were much lower than they are now.

During this long span of years there have been twenty well-defined periods of serious depression, of which the present one is the most severe. In January and in July of 1931 business activity dropped to 28 per cent below normal. The next lowest record is that of the depression of 1921, which reached a low point of 27 per cent below normal.

the tank car and rail transportation committee of the A. P. I. He is also one of five members of the Board of Administrators of the company E. B. F.

Entering the employ of the company at the time it was just launching the sale of refined oil products in the San Francisco Bay area, A. V. "Gus" Silva specialized in kerosene sales and established the reputation of being the fastest and most reliable salesman of those days. He was lured to the Oakland office when its plant was opened in 1907 and has since been a truck

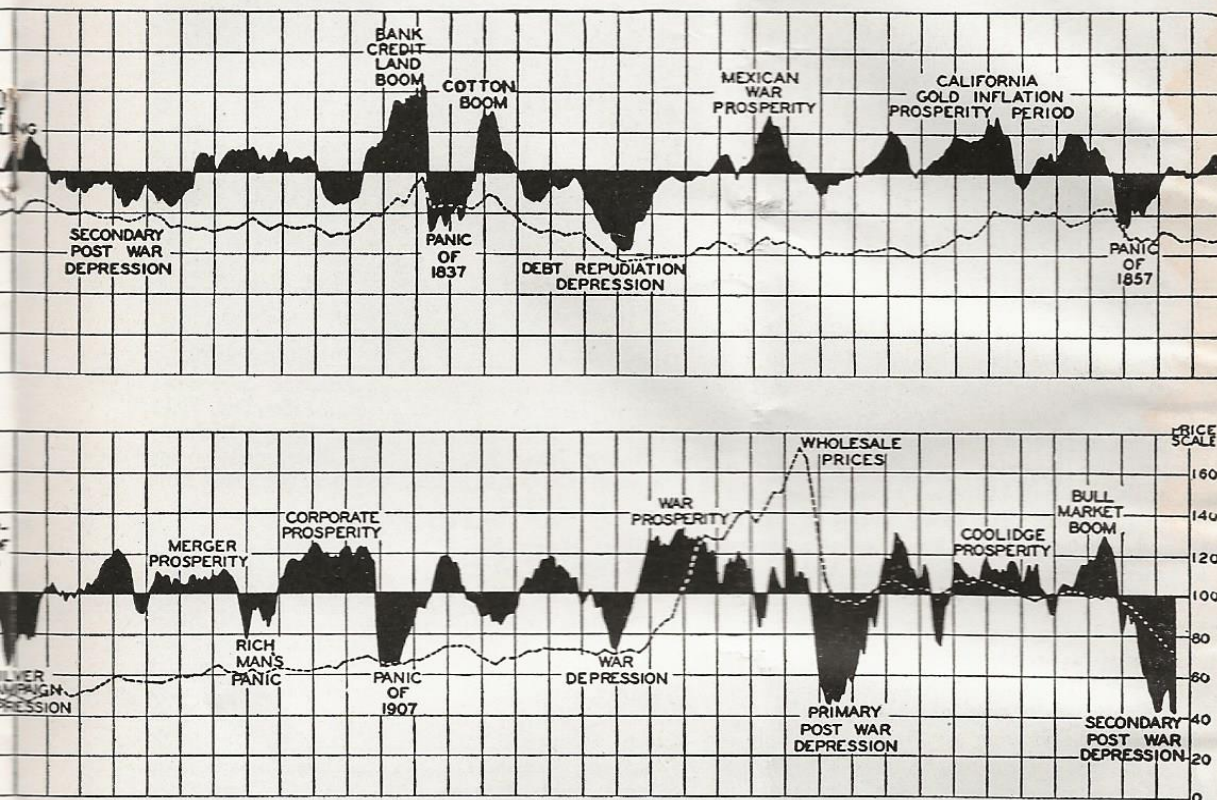
salesman. He has observed the delivery fleet of the company in the Oakland district grow from two horses and a wagon to its present dimensions and has himself dumped millions of gallons of company products into consumers' tanks.

Second Ruby Awards

Frank Beckert began his employment as pipe-fitter's helper at the Oleum refinery in 1911 and some time later was advanced to pipefitter. In

Activity Since 1790 Pictured in Statistical Record

PRIMARY and SECONDARY CORRECTIVE DEPRESSIONS--



On only one previous occasion has business activity dropped more than 20 per cent below the normal level, and that was in 1808, during the embargo depression, when it fell to 22 per cent below. The two longest depressions came in the '40's and in the '70's, and each one lasted nearly six years. It is noteworthy that each one of our three great wars has been followed by a primary post-war depression, and then after a prosperous period, by a secondary post-war depression.

This piece of economic and statistical research carries the detailed records of American business cycles back almost to the beginning of Washington's first term as President. In the earliest years of the period business activity was predominantly the activity of commerce, and even of sea-borne commerce.

In the middle years of the last century this importance diminished and that of agriculture and industry increased. In this century the diagram reflects the changes in industrial production.

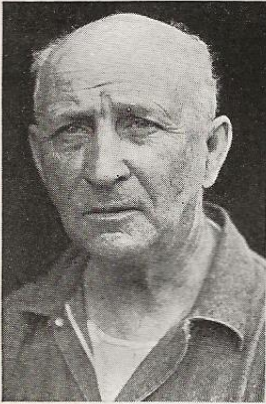
1917 he transferred allegiance to the asphalt stills and within six years had worked to the position of stillman. He moved to the Los Angeles refinery as asphalt stillman in 1923, but three years later returned to Oleum as pipe-fitter, the position which he now holds.

As assistant gas engine repairman and pumper, Roy Pierce was first employed by the Pinal Dome Oil Company in 1911. He later served as fireman and engineer at the compressor plant on the Pinal lease until it was abandoned in 1921. For a number of years he worked as pumper,

and now has charge of the yards of the Union Oil Company at Orcutt.

W. L. Standard was the company's first salesman of refined oil products in metropolitan Los Angeles, starting in this work in September, 1911. Within two years he was made superintendent of the lubricating oil division and from 1913 until October, 1930, when he became manager general sales, directed the sale of oils and greases for the company.

When Fred Rank first went to work for the company in the Los Angeles district 20 years



Fred Rank



W. L. Standard



F. E. Beckert



R. E. Pierce

ago, he vividly remembers that during rains the horse-drawn tank wagons bogged down in the mud near the loading racks and not infrequently had to be dug out. For fifteen years he made deliveries of company products in the Highland Park area, Los Angeles, and during that time many of his casual business acquaintances became close friends. He knew everyone on his route and everyone knew him. At the present he is general utility man at the Los Angeles district yards.

Valentine Lopez began work with the Union Oil Company as a laborer at the old Port San Luis refinery. He was later transferred to the Avila refinery when that plant was under construction. Since moving to Avila he has filled the jobs of pipe-fitter's helper, pipe-fitter, boiler washer and is now charged with the duties of head boiler washer and boiler maker.



Valentine Lopez



Simeon Hanna

The entire period of Simeon Hanna's employment has been spent in the Canal Zone. His first job was as yard laborer and general utility man. Two years later he became oiler at the pumping plant, and in 1914 was promoted to fireman. He now fills both of these positions. He has a background of nautical experience gained in Central American waters previous to his service with the company which enhances his value as a utility man at the Canal Zone station.

Fifteen Years

- Duffy, Frank.....Oleum Refinery
- Falk, Ernest F.....San Francisco Sales
- Kearns, Dan A.....So. Div. Field
- McCarthy, Michael.....Oleum Refinery
- O'Haver, Isaac K.....Sacramento Sales
- Parsons, Geo. L.....No. Div. Pipe Line

Ten Years

- Beasley, Harry B.....Vancouver Sales
- Gillenwater, Carl C.....Portland Sales
- Glynn, Frank Thos.....San Francisco Sales
- Hammond, Wm. Cook.....Seattle Sales
- Jeffery, Cecil A.....Head Office Sales
- Kellet, Gertrude L.....Secretarial
- Kroeger, Alice L.....Insurance and Personnel
- Lapham, Horace A.....Refined Stocks Div.
- Lewis, George E.....So. Div. Field
- Loughery, Donald L.....Los Angeles Sales
- Rogers, John Harold.....Oakland Sales
- Rothwell, Norman H.....Seattle Sales
- Shearer, John E.....Los Angeles Sales
- Stephenson, Carl P.....Traffic
- Upton, Earl Edw.....Seattle Sales

Tank Wagon Driver Praised

Union Oil Company, Seattle, Wash.
Gentlemen:

While driving with some friends to Yakima Park on Labor Day, we were unfortunate in having our car slide off the edge of the road near Green Water. While in this predicament one of your gas trucks, License No. 758034, driven by Mr. H. Tougaw, came along and with Mr. Tougaw's assistance the car was gotten up onto the road without any injury to the occupants or damage to the car.

I want to take this opportunity to let the company know that the courtesy shown by this young man and the assistance he gave us was greatly appreciated.

Yours truly,
Dwight Phelps,
Tacoma, Wash.

R. W. Garman Resigns

R. W. Garman, who rose from the pick and shovel gang to become manager of natural gasoline and gas operations of the Union Oil Company, October 1 resigned his position to engage in private practice as a gas consulting engineer.



R. W. Garman

His service dates back to January 1, 1919, when he laid aside his second lieutenant's uniform, buried his diploma as an electrical engineer from Purdue University in the bottom of his trunk, and started out on a \$4.00 a day job as a roustabout laying gas lines in the Brea field. In less than sixty days he was trans-

ferred to the Santa Maria field to gain a broader experience than was possible for him to obtain at Brea. A year later he was sent to the San Joaquin valley to take charge of gas operations there and was transferred a few weeks later to the main office in Los Angeles to supervise the general clerical work of the gas department, at the same time continuing his work in the Valley.

In March, 1923, when the flush production of Santa Fe Springs, Huntington Beach and Signal Hill made the handling of a tremendous surplus flow of gas from the wells in these fields one of the major production problems of the day, he was appointed gas superintendent of the Southern Division. Two years later he was promoted to the position of assistant manager of gas operations, and in June, 1926, was made manager of natural gasoline and gas operations, in which capacity he continued until his retirement. In this position he was responsible for the manufacturing of natural gasoline in the several absorption plants operated by the company, the transportation of the product, and the handling of the natural gas from the time it left the wells until it was finally delivered to commercial gas company mains or directed back to the wells for use in gas lift operations or for gas injection.

Gets Business from Air

Known to every pilot who ever sat his ship down at Grand Central Air Terminal, Glendale, Calif., one of the West's leading aviation fields, H. R. Johnston, shown here, through his ability to convince potential customers of the superior merits of Union aviation gasoline, has earned recognition as one of the most aggressive men the company has on the "firing line." In the photographs which grace the front and back cover of this month's BULLETIN, Johnston is shown at work.



H. R. Johnston

Speedy Pump Service



Equipment used in servicing gasoline pumps of Atlantic Union Oil Co., Ltd., in Sydney, Australia, is carried in the miniature tank on the motorcycle shown above. This type of pump service has proven highly efficient and the operation of the equipment exceptionally economical.

Union Products Used by Sumatra Bus Line

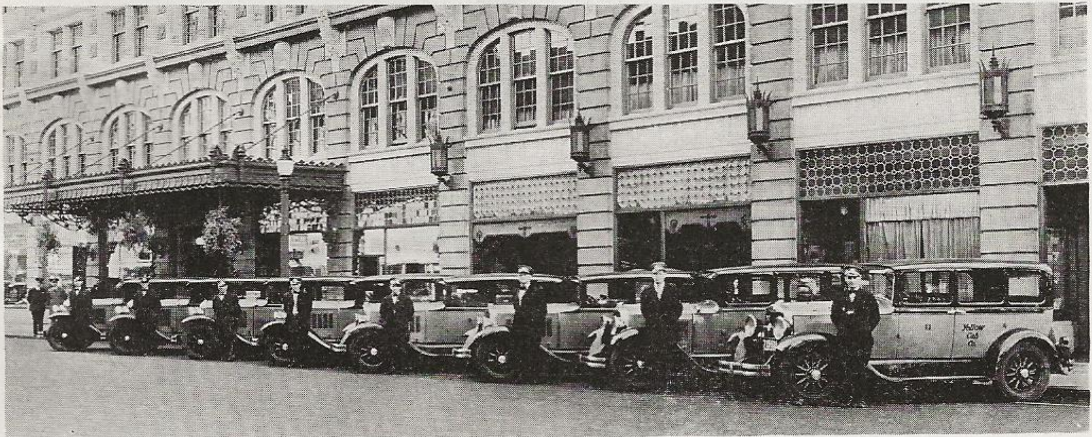


The photograph above shows two passenger busses and one freight wagon of the Hoi Eng Auto Company of Medan, Sumatra, Dutch East Indies, carrying banners featuring the fact that they are lubricated with Union oils and greases. The building in the background is the Messijit (Mohammedan temple) connected with the Sultan of Deli's palace.

According to Guthrie and Company, Ltd.,

agents of the Union Oil Company in Sumatra, who forwarded the photograph, the advertising of Union products is regarded by the Hoi Eng Auto Company as adding to their prestige, which has been built on a reputation for safety and reliability. "Union lubricants, including 'Motorite,' are enjoying a good sale in this territory," write the Guthrie and Company representatives, "and the demand for them is increasing daily owing to their proved quality and consistency."

Union Speeds Service of Spokane Yellow Cab Fleet



For three years the Yellow Cab Company, noted for its service, has operated its Spokane fleet of cars with Union Oil products. A portion of the cabs operating in Spokane are shown above in front of the Davenport hotel, one of the Northwest's most distinguished hostelrys, which is also a 100 per cent user of Union products. The Yellow Cab Company is the oldest and largest in Spokane.

Its general manager is A. W. Witherspoon and its operating manager, Edward Stoldt.

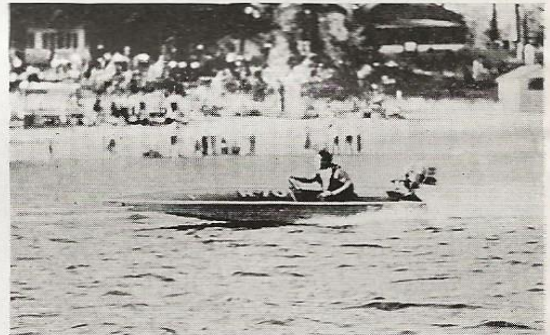
Taking a Big Jungle Cat for a Ride



Dr. F. T. Barron's lion appears to be fraternizing on even terms with the rest of the occupants of Miss Oakland, photographed during a spin down the Oakland estuary. Dr. Barron operates his speed craft exclusively with Union products.

Northwest Outboard Champion

Clarence Paulsen's outboard speed boat R-70, piloted by Larry Richert, photographed during one of the recent races at Lake Chelan. With this boat Richert, who pilots several of the fleet of racing boats owned by Mr. Paulsen, has annexed the Northwest outboard championship by virtue of victories at Lake Chelan, Lake Pend Orielle in Idaho, Lake Kootenay at Nelson, B. C., and Lake Coeur d'Alene in Idaho. He recently won the unlimited and marathon championship on Lake Chelan piloting "Flaming Mamie—The Fifth." He has used Union gasoline and oils in all of his races.



Eze and It—They're Not Related



"Motorite Heavy," supporting with sad resignation the Union Oil Company's shield is a Black Spaniel pup, owned by R. R. Thomas of the Personnel department, Santa Fe Springs. "Motoreze Medium," held in the arms of Ralph Reischel, commission agent for the Union Oil Company at Juneau, bears a marked resemblance to "Motorite," but is not related; he is a junior member of the bruin family. He was captured along with one of his brothers by Reischel just back of the company's Juneau plant.

'Quakes Fail to Daunt New Zealander's Spirit



Despite the severe earthquakes which leveled buildings in Hastings, New Zealand, last February, that city today boasts more business premises than it had prior to the disaster and is still enjoying a building boom in direct contrast to conditions in other parts of the world. The top left photo shows Atlantic Union Oil Company service station operated by C. W. F. Vogtherr as it appeared before the temblors, the right reveals it in ruins, and the lower picture as it is today, completely rebuilt.



Company's Exhibit at California State Fair, Sacramento



The Union Oil Company's display, shown above, at the California State Fair, Sacramento, Sept. 5-12, featured a large replica of Union fly sprayer, the spray from which was directed onto a screen upon which a huge mechanical fly crawled. When the fly reached the top of the screen, a discharge, mechanically controlled, of Union Fly Spray brought him to earth. The device attracted much attention at the fair. J. C. Ketels, Sacramento district specialty salesman, is standing at the left in the booth, telling the crowds, via loud-speaker attachment, facts about the company's specialty products.

INDUSTRIAL RELATIONS NEWS

NOTE: In future, articles of general information will be found on this page. These articles will cover benefits offered to employees, new announcements of rules and regulations, and certain items of national and international interest regarding industrial relations work.

Employees' Benefit Plan

THE Employees' Benefit Plan is a self-supporting and self-organized sickness and accident fund. After a year's service in the company, an employee automatically becomes a member of the plan and for a monthly deduction of \$2.00 medical expenses for any one sickness or accident (not covered by State Workmen's Compensation Laws), are paid for up to a maximum of \$500.00 with a few clearly defined exceptions.

Each employee should obtain a copy of the Rules and Regulations from the nearest Personnel Representative or District Office. Write your name on the cover in the space provided and read the rules carefully.

Combined with the medical expenses, a Life Insurance Policy is given free, the value of which varies between \$500.00 and \$2,000.00, depending on the length of service of the member.

With this plan in operation, one of the most disturbing factors of the family budget is removed and the employee realizes that he has adequate protection against medical expenses and sufficient life insurance to take care of immediate expenses of himself and his dependents in the event of death or total disability.

In the event that an employee should terminate his services with the company, this insurance may be continued at the customary public rates of our insurance carrier, *without further medical examination*, provided application is made to the Los Angeles office of our carrier *within 31 days* after termination of service; otherwise, the policy is automatically cancelled. The address is: The Equitable Life Assurance Society, Board of Trade Building, Los Angeles, California.

Service Problems

After ten years of service, each employee is presented with an engraved pin and a letter of recognition, individually signed by the president. For each five years of service thereafter, a ruby is added until thirty years of service is attained, and after thirty-five years a diamond is added.

At the close of August, 1931, nearly 25 per cent of the employees had over ten years' service

and three employees had thirty years' service, which in itself is a remarkable record.

Address Changes

Notice of any change of address should be given as soon as possible to the Personnel Office or if there is not one in the district, then to the payroll clerk of the district in which you are employed.

C. M. Nelson Promoted

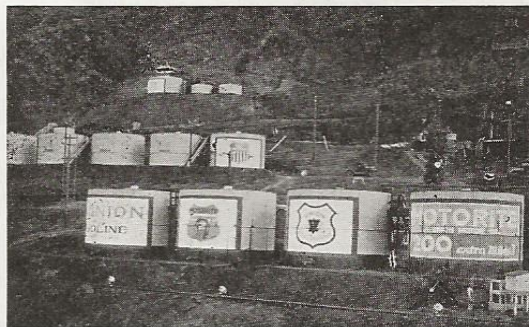
C. M. Nelson was appointed assistant manager of the Insurance and Personnel Department, effective September 10, 1931. Mr. Nelson is a graduate of Dartmouth College, and was affiliated with the St. Helen's Petroleum Company for seven years, where he obtained a general knowledge of the oil industry.

He joined the company in August, 1928, to handle the workmen's compensation claims and statistics of the Insurance and Personnel Department and in March, 1929, was made claims adjuster, in which capacity he continued until he was promoted to his present position.

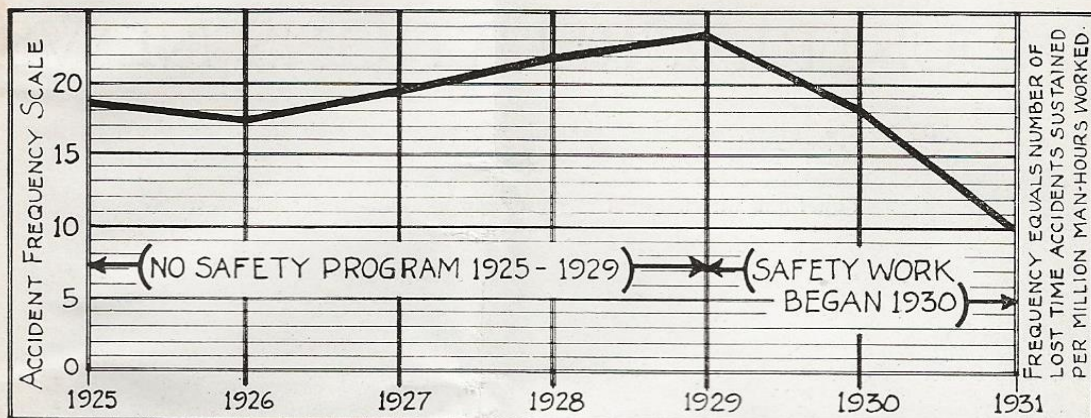


C. M. Nelson

Use Tanks as Billboards



Pipe Line Department at Brea makes use of field storage tanks to advertise Union products.



Decline in Sales Department Accidents

THE nose dive of the accident frequency line in the foregoing chart has a story behind it. When safety work was organized in the company some seven years ago, the marketing group was assumed to have the lowest inherent accident hazard of any of the operating departments. Some effort was made at the start to interest executives in the marketing organization in accident prevention but there was always the relatively low accident frequency rate to fall back on as sufficient reason for not instituting any vigorous propaganda. Better supervision over the reporting of injuries had the effect of apparently increasing the accident frequency rate, which reached its high point in 1929. Meanwhile the efforts of the Safety Board were directed toward those departments which had a conspicuously high accident hazard with the result that particularly in the manufacturing operations of the company the rate was so far reduced that by comparison, marketing became a far more dangerous occupation.

In the winter of 1929-1930 a plan for educational safety work in the Sales Department of the Union Oil Company was worked out on paper. R. D. Matthews had just been appointed vice-president in charge of sales. With the intimate knowledge of the safety record established by the company's refineries under his administration, Mr. Matthews gave his approval to the proposed effort in the sales department. Early in 1930, A. J. Martinson was transferred from the staff of the company's safety board to the sales department, as supervisor of safety, under the personal direction of J. B. Williams, assistant manager of refined oil sales.

The nose dive in the curve is explained by the fact that since February, 1930, there has been carried on in the sales department, under the auspices of its major executives, a consistent campaign of education in the safe way of performing the manifold duties of distributing Union

products over the tremendous areas served by this company.

In carrying on the safety work no one other than Mr. Martinson has been regularly employed. The assistant district manager of operations is made responsible for accident prevention work in each sales district, and under him the special agents see to it that the marketing station employees are called together regularly for discussions of safety matters. Actual instruction, however, is definitely the responsibility of the agent, and for his guidance a report form which is really an outline of how a safety meeting should be conducted is used at each of the meetings, held at least once each month at each station. These meetings afford every man the opportunity to bring up questions regarding his own individual job. Not only are the accidents which have occurred to the personnel of the sales department discussed, but accidents to outsiders in similar occupations are brought up for review by the men. The reports of these meetings are sent to the assistant district manager of operations in the district and are analyzed by him. Much of his knowledge of how individual agents are performing can be gained from the manner in which these reports are made up.

With this knowledge of how common problems have been overcome it is possible for the assistant in charge of operations to pass intelligent ideas on to all the men working under his jurisdiction. And similarly, through the head office, printed instruction matter on the safe manner of performing the routine work of the department is sent out to all concerned. How can a particular operation be best performed? It is the employees themselves who answer this question at the safety meetings and through the medium of the report, what one man has discovered for himself is made available to all the others. It is therefore these small meetings which are responsible for the effectiveness of the whole safety program and with it a considerable increase in operating efficiency.

REFINED AND CRUDE



By RICHARD SNEDDON

Now that school has started again, dialogues of the following type may be heard in any home where there are youngsters of school age:

"Dad, who was Hamlet?"

"Bring me the Bible, you little ignoramus, and I'll soon tell you who Hamlet was."

* * *

And of course, it must have been a married school teacher who announced to her class: "Tomorrow we will have the story of Columbus. Every child will please bring an egg."

* * *

Incidentally, Junior's career has at last been definitely settled. It has been decided by an overwhelming vote of one, that he shall be trained as a caddy, so that he may meet his father occasionally.

* * *

At this stage we desire to correct a report that we went around the Hollywood Country Club course in '76. As a matter of fact we weren't even born then.

* * *

And to the reader who has expressed a desire to know where we were brought up, we wish to state it was in San Pedro, only, however, for a minor offense.

* * *

"You say you found a letter in a woman's hand writing in my pocket this morning. I'm sure I don't know how it got there."

"I do! I gave it to you to mail three weeks ago."

* * *

Returning now to the subject of child training—the old-fashioned father who still believes the finest education is acquired in the school of hard knocks, should buy his boy a high compression car, and forbid him to use Ethyl Gasoline.

* * *

Out at Santa Fe a new man was in imminent danger of spraining his back through his frantic efforts to raise a stand of twelve inch pipe all by himself. The safety minded foreman spied him, and yelled excitedly: "Hey there, stop! Hey you, stop! Don't do that. Stop!" "Whassamatter?" was the calm reply. "Are you trying to dictate a telegram."

* * *

And it was during the young sailor's first watch in the crow's nest that this happened:—

"A red and a green light on the starboard bow, sir."

"What is it?"

"A drug store, I guess, sir."

Little Girl: "Mother, you know that valuable old vase you said had been handed down from generation to generation."

Mother: "Yes."

Little Girl: "Well, this generation has dropped it."—*Orcadian.*

* * *

As we go to press, reports of a business depression are just beginning to seep in, but they must be absolutely baseless. Our friend, the red ink salesman, assures us that his business was never better.

* * *

In any case there are always two sides to a depression. It's the sun shining on the other side of the mountain that makes it seem so dark here. Prosperity is just around the corner. (Copyright in Canada, Czecho-Slovakia and Long Beach.)

* * *

Remember, however, the Constitution only guarantees the pursuit of happiness. You have to catch up with it yourself.

* * *

Find your consolation in the fact that the five-day week and the football season both start at the same time.

* * *

Meantime, avoid extravagance. Give up your seat on the fifty-yard line—the whitewash will ruin your pants anyway.

* * *

Don't keep on talking poorer times or you'll get them. You recall what Jonah said to the whale: "This would never have happened if you had kept your mouth shut."

* * *

And above all don't be a sitty salesman.

* * *

Even in depressed times it's not so hard to meet expenses. Personally, we have been meeting them at every turn.

* * *

In conclusion we believe everything will come out all right if some enterprising soul will just declare a moratorium on moratoriums.

