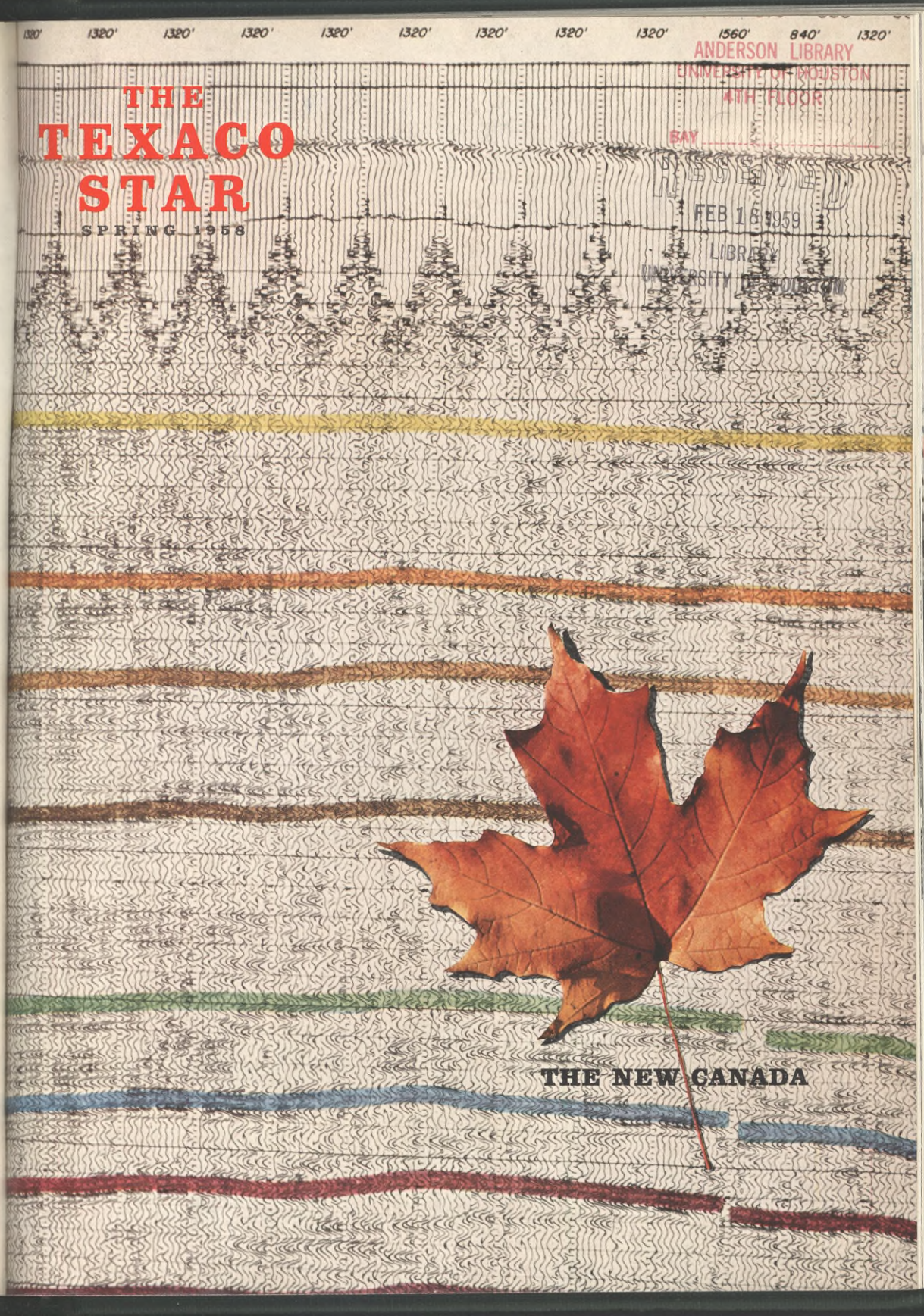
THE TEXACO STAR

SPRING 1958



THE NEW CANADA

THE NEW

THE TEXACO STAR

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THE TEXAS COMPANY

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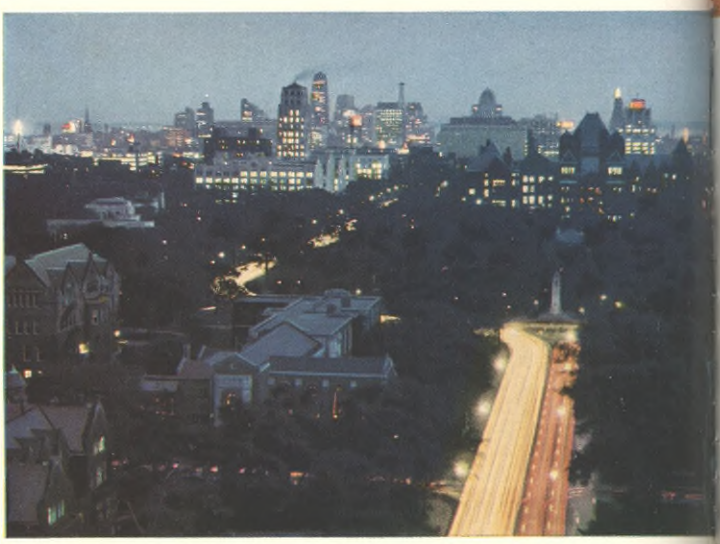
THE COVER: Against the backdrop of a seismogram typical of those being used to help determine where oil is likely to be found in Western Canada, a Canadian sugar maple leaf has been dropped—to bring together the two interlocking themes of this special issue: Canada and the Canadian oil industry. Why an Autumn leaf? Only the sugar maple leaf in Autumn colors means "Canada," to a Canadian.

THE STAR is published by the Industrial and Public Relations Department for Stockholders and Employes: **Thomas D. Durrance,** Director of Public Relations • **Ellis Prudden,** Editor; **Gordon Bowman,** Staff Writer; Irwin Glusker and Dick Hendler, Co-designers • Printed in the U.S.A.,



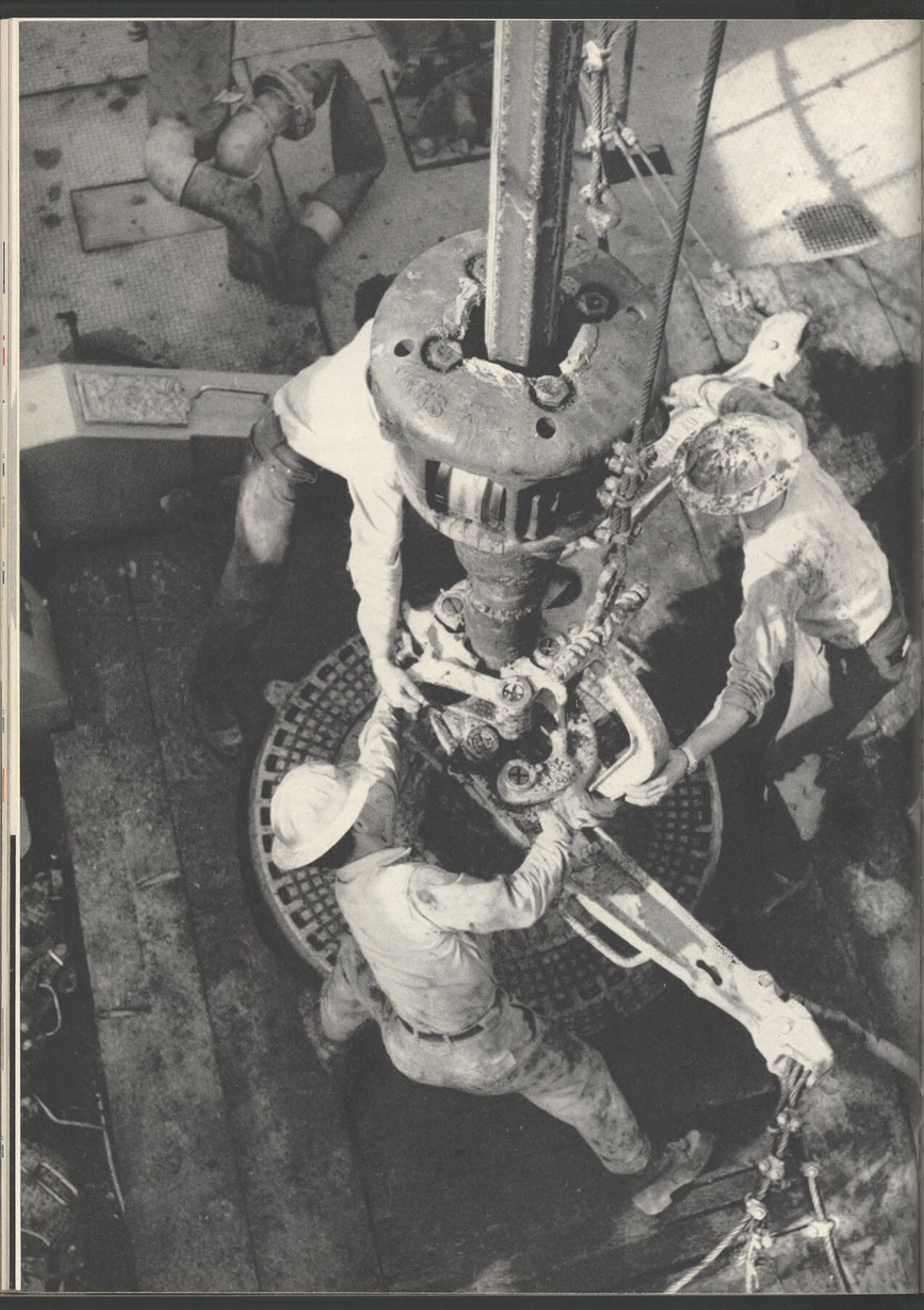
Toronto at night shimmers with lights of midtown activity.

VCANADA

Photographs by J. Alex Langley

Stark forms of a petrochemical plant are symbols of industrialization on prairie near Edmonton.

The 20th Century, some historians allow, will belong to Canada. Whether or not the prediction is too glowing, it is obvious even in mid-century that Canada is developing as a major international force at a rate unprecedented in recent history. A good share of the spectacular growth Canada has achieved since World War II can be attributed to the Leduc oil discovery in 1947. The Leduc find added tremendous reserves of petroleum to that country's already dazzling list of mineral assets—gold, uranium, iron ore, nickel, copper, asbestos among them. Most importantly, it provided a vast energy source with which Canadians could create new industries, produce more goods, and increase their trade with the rest of the world. Canada in 1958 is a giant of a land with an enormous appetite for progress, and a remarkable vigor. Fortunately, it is a friendly giant: the signs of its appetite and vigor are heartening to its free world neighbors. In this special issue, THE TEXACO STAR attempts to sweep, editorially, across the new Canada to record and interpret its dynamism and to focus on the petroleum industry's role in its exciting growth.



SMOKE ON THE PRAIRIE

Once known best for its wheat and cattle, Western Canada now is a major oil-producing area, providing the energy for a prospering nation's history-making growth

February in Edmonton, Alberta, can be bitter cold. So cold, in fact, that motorists parking their cars out of doors use special heaters attached to the automobiles' engine blocks; and a man at work in the clear, biting air avoids running for fear of frosting his lungs by inhaling too heavily.

The February of 1947 was no exception. Kids skated in the backyard rinks many local homes have, and about 20 miles southwest of town, in Leduc, workers on frosty derrick floors broke into impromptu jigs to warm their feet.

In that Winter month 11 years ago, Canada's history was changed with stunning swiftness. A major oil find at Leduc confirmed what geologists had suspected for years: Western Canada holds immense reserves of oil and gas.

By late Spring, 1947, the fields of Central Alberta were studded with drilling rigs, and Canada's economy—fed by an oil boom and by a concurrent surge in other mining, smelting, and manufacturing activities—began a lusty growth that has pushed it into the world spotlight as the country to watch.

To the prairies had come the exhaust smoke of Diesel-powered drilling machinery. The tall chimneys of factory and mill have followed. And from Canada's Prairie Provinces today come about two-thirds of its petroleum energy requirements, compared with a meager 10 per cent before the Leduc discovery.

This growing supply of petroleum has contributed importantly to an economic expansion running all through Canada which, in the last decade, has resulted in a 50 per cent increase in its output of goods and services; a 65 per cent boost in industrial production; a doubling of foreign trade. Canada's energy consumption in 1957 was almost 50 per cent more than at the time of the Leduc find, and Canadians now are the second highest per-capita consumers of energy in the world, very nearly on a par with United States consumers in this respect.

CONTINUED ON PAGE 5

On the derrick floor of a Tex-Ex rig in Alberta, roughnecks put their muscle into the job of "pulling pipe."

U.S. tourists in Canada quickly learn it is not all ice and snow, see little difference between Canadian and Stateside living

The scene is Edmonton, Alberta, not Evansville, Indiana. But the game's the same: it's touch football. Students here are playing in front of new auditorium built with oil and gas revenues.

Bold forms, sweeping use of space, and abstract fountain sculpture representing Canadian geese make Edmonton City Hall one of the most modern in North America.

In cities all across Canada, the signs of a new vitality are apparent.

Fort St. John, at Mile 49 on the Alaska Highway in British Columbia, was little more than a general store surrounded by farmland in 1947. Today it is the site of a major gas field, and sprightly rows of new homes at its edges are being hammered into readiness for the families who continue to flood in.

Edmonton's manufacturing, distribution, and commercial facilities have doubled in the last 10 years; its population has doubled in the same period (currently it is slightly less than a quarter-million) and housing developments spring up at a rate that required more than 7,500 building permits in 1957. On the outskirts of the city is the largest shopping center in North America. And, as a clinching illustration, Edmonton's banks cleared more than seven times as much money in '57 as they did the year before Leduc.

Calgary, to the south, also has experienced a tremendous growth—and has become the oilman's business and financial center in the same way Edmonton became his service and supply center. Today more than 250 oil exploration and development companies are headquartered in Calgary.

Moving eastward to Toronto, one finds the same sort of growth pattern over the last 10 years. Auto registrations since '47 have more than tripled; residential construction has increased almost fivefold in value; and the city rings with the clangor of steelworking that goes into new highway projects, new buildings, new bridges.

Further east, in Montreal, the picture is the same. Housing projects cluster in shiny patches at the city's edge, new office buildings poke up through the downtown skyline, industrial plants line the modern expressways that knife through Montreal's outskirts. Probably the most significant bustle of all is created by the construction work outside the city which, sometime next year, will result in a momentous opening of the St. Lawrence Seaway.

Considering the amount of attention Canada has been given in newspapers and magazines during the past few years, and the amount of traveling United States citizens do in Canada, it is remarkable how little its United States neighbors know about it.

Some Americans still think of Canada as a few acres of ice and snow, with eight months of frightfully severe Winter and four months of rather poor skiing. They are woefully misinformed.

Although its northernmost land is less than 500 miles from the North Pole, Canada is far from the frozen land a few of its United States neighbors think it is. Even Edmonton, about 300 miles north of the international border, has really extreme cold weather only in deep Winter. For most of the year it is as sunny and mild there as it is in Des Moines. Flowers bloom late into September.

In land area, Canada is nearly a third larger than the United States. The country is divided into 10 Provinces, the Yukon, and the Northwest Territories. Three of its Provinces (Quebec, Ontario, and British Columbia) have a land area larger than Texas.

Toronto's clean, bright subway system, built after War II and now operating at capacity, is being studied for expansion to accommodate a predicted 50 per cent increase in jobs in the city.

Actually, three-fourths of Canadians live south of the northernmost point in the States (Lake of the Woods, Minnesota) while about one-fourth of United States citizens live north of Canada's southernmost point (Pelee Island, Lake Erie). Windsor, Ontario, is almost on a latitudinal line with northern California.

Montreal can be just as warm in Summer as New York or Washington—and Alberta frequently is treated to chinook winds during the Winter that raise the temperature 40 to 50 degrees within a few hours.

Some Americans persist in thinking of Canada as a British colony. In fact, it is a completely independent Dominion: it makes its own laws and creates its own policies which can be and occasionally are contrary to British policies. It pays no levies or taxes to the United Kingdom.

Canada has two official languages—English and French—and both languages appear on its paper money, stamps, and official documents. In the East, where its French-Canadian citizens are centered, street signs and advertisements often are printed in both languages. Montreal, interestingly, is the second largest French-speaking city in the world; only Paris tops it.

Perhaps because of their closeness, ideologically and geographically, Canadians and their Stateside neighbors share many enthusiasms. Canadians are rabid football fans (their game has slightly different rules, and is much faster than the football played in the States). At World Series time, television knobs in Montreal are twirled furiously to bring the games in. Swing music was applauded just as wildly in Toronto as in Indianapolis during the 1930's, and parents in Calgary today are just as weary of their children's rock'n'roll records as parents in St. Louis.

Meeting a Canadian, a United States citizen would

About 15 per cent of Canada holds formations which are promising for oil production, geologists figure

need a keen ear to distinguish any difference between his speech and the Canadian's (there *are* a few: the Canadian almost invariably pronounces "been" to rhyme with "seen," as it is pronounced in Great Britain; and he often talks of "the odd" something-or-other, in a context in which we would be most likely to say "the occasional").

Probably the most impressive single memory of such a meeting would be of the Canadian's tremendous enthusiasm and optimism over his country's future—a future which will be shaped to a large degree by his country's development of mineral resources.

Oil is not new to Canada. As a matter of fact, the Dominion's oil industry is celebrating its 100th anniversary this year—a year earlier than the petroleum industry of the United States. But until Leduc, Canada had only three oil fields of any size: Turner Valley in Alberta, Norman Wells in the Northwest Territories, and Petrolia in Ontario.

Turner Valley, discovered in 1914, was declining in the middle '40's. Norman Wells, discovered in 1920, was too remote to supply any markets except the thinly populated Northland. And production at Petrolia—the country's first producing area—had dwindled.

HIGHLIGHTS OF OIL INDUSTRY GROWTH IN CANADA FOR THE DECADE 1946—1956

- Crude reserves grew from some 72 million barrels to 3.1 billion barrels.
- Crude production rate increased from 21,000 barrels a day to 470,000 barrels a day.
- Oil pipe line mileage has risen from 435 miles to 6,208 miles, and construction is proceeding at an ever-accelerating pace.
- Refinery runs more than trebled. At the start of 1947 they approximated 195,000 barrels a day; 10 years later they exceeded 600,000 barrels a day.
- In 1946 Canada imported more than 90 per cent of its petroleum requirements. Today it produces approximately two-thirds of its domestic consumption.

Geologists say about 15 per cent of Canada's total area is potentially favorable for oil prospecting. Most of the area is confined to a vast belt sweeping northwesterly from the North Dakota-Montana border through the region lying to the east of the Canadian Rockies to the Arctic Ocean. The total area involved is about equal in size to the five richest oil states in this country – these being Texas, Oklahoma, Louisiana, Kansas, and California.

Still, until 1947, only a few minor discoveries had been made along the Alberta-Saskatchewan boundary. The search for Canadian oil had been far from fruitful. Leduc changed the picture, drastically.

Today the list of oil and gas fields in Western Canada runs into the hundreds. There are some 10,000 producing oil wells in the area, compared with perhaps 400 a decade ago. These fields spread over a vast territory from southwestern Manitoba through Saskatchewan and Alberta, into northeastern British Columbia. The territory includes more than a dozen major proven fields, several dozen important producing areas. In 1956 alone, some 2,400 producing oil wells were completed, the records show.

Since the early days of the Alberta boom, Texaco has been operating in Western Canada through its wholly owned subsidiary, Texaco Exploration Company (usually called Tex-Ex, and staffed almost entirely by Canadians). Headquartered in Calgary, Tex-Ex crews today are working in Alberta, British Columbia, Saskatchewan, and Manitoba.

One outstanding result of Western Canada's surging oil and gas production since 1947 has been the development of a fast-growing petrochemical industry in the Central Alberta region.

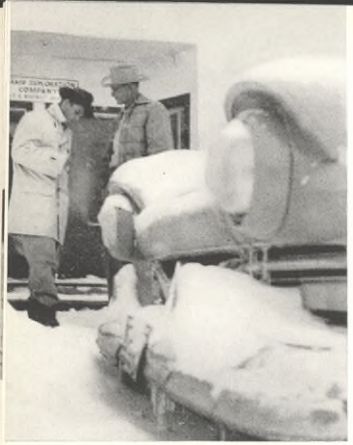
Outside Edmonton, for instance, the tall, slender stacks of Canadian Chemical Company, Limited, stand at attention over a sprawling complex of buildings from which synthetic fibers are spun out for Canadian consumers. This $80-million plant uses petroleum gases from the Tex-Ex Bonnie Glen field, 50 miles south of Edmonton, as its basic raw material. It also is a substantial user of lubricants supplied by a Canadian company which is a subsidiary of Texaco—the McColl-Frontenac Oil Company Limited.

About 800 men and women are employed in the Canadian Chemical plant, most of them local people. Engineers and chemists who formerly found it necessary to leave Alberta to make the best use of their talents now find challenging jobs in their home Province.

The prediction among Edmonton business leaders is that within the next 10 years this area will have developed into Canada's petrochemical center—largely because of the ready availability of the oil and gas the industry feeds on.

Western Canada today is that country's vast power storehouse—bristling with drilling rigs, dappled with oil tank batteries, ribboned with pipe lines, its skies puffed with the smoke of industry—on which the rest of the nation draws.

In southern Alberta a Tex-Ex producing superintend chats with a wheat farmer on whose land drilling has be



Leaving Dawson Creek headquarters in a surprise Fall blizzard, NFA men head for Cameron River block in Peace River area.

THUNDER IN THE HILLS

Up North, Summer's muskeg and mosquitoes

and Winter's biting cold make for year 'round rough going

At Ma Anderson's lodge, hunched low alongside the 107-mile marker on the Alaska Highway in the Peace River country, a newcomer is likely to get slightly exaggerated notions of local life.

"Mosquitoes don't bite around here, mister," Ma tells you, dryly. "They plug you—like a watermelon."

Things aren't really that bad during the Summer mosquito season, according to the men working the 3.8 million acres in "the Peace" which the Texaco-managed Northern Foothills Agreement (NFA) group has leased (the group includes three other oil companies, and each of the four has a 25 per cent interest). But they admit it's not unusual for a man to go to bed on a warm Summer night buttoned up in his long Winter underwear to stymie the persistent insects. Better to be a little warm than stay awake all night, swatting.

NFA men—currently there are 26, all Canadian except two—have been exploring the sweeping hills of the Peace since 1948. Their efforts led to the discovery of British Columbia's first oil well in 1955.

Summer or Winter, the Peace River country keeps a man on his toes. Just about the time the last mosquito leaves, cold weather clamps down on the land. By November, 30-below becomes a common thermometer reading; 60-below is not unusual. The ground is frozen flint-hard as deep down as 12 feet.

This is the busy season for the contractors bringing heavy drilling equipment into the area. This is the time for moving rigs and pipe and power units. This is the time, and old hands know it will run out between the 25th and 27th of March. Every year for as far back as Peace River people can remember, the Spring breakup has begun on some hour in that two-day span.

With the breakup, oilmen begin bracing themselves for another frustrating battle against their worst enemy: muskeg.

"It's hard to describe muskeg," NFA's superintendent tells you, at the group's Dawson Creek headquarters. "It's sort of mossy on top, and oozy underneath, and . . . well, I guarantee you won't like it."

That's a lifetime guarantee anyone who has worked in muskeg country would offer. Seemingly bottomless in places, this malodorous sea of decomposed vegetation has been splashed all through the Peace River region to bog down—and often swallow up—almost every sort of vehicle except the specially built half-tracked trucks oilmen have learned to use when they have to leave the high ground on which they've built their roadways through the woods.

So heavy equipment must be moved in the Winter, to beat the breakup. (Once in, drilling equipment generally is operated year 'round—it is set up on high ground, whenever possible.) In the Summer, the rule is "stay out of the muskeg." Get in it, and you're likely to need a winch-equipped tractor to get out.

This is the lean, hard-muscled Canada: spiked with shaggy stands of evergreen so thick a man has trouble shouldering his way through; crunched by prehistoric convulsions into a vast sweep of towering hills and deep valleys; still so remote that moose and bear amble into NFA seismic camps as casually as if the men weren't there.

Pushing their way through the Peace River area, NFA's seismic survey teams send the thunder of shothole explosions bowling through the hills. The sound is the signal of a Canadian oil search that each year moves farther north.

On roller-coaster road that has been bulldozed through thick firs, seismic crew gets ready to set off a shot-hole explosion.

An early-morning conference sets day's schedule. Temperature has dropped overnight from 70° to 10° in a freak storm.

In the snow-covered woods about 20 miles off Alaska Highway, NFA man lays line for seismic shot. Real Winter is due soon.

In the bright sunshine of a September Sunday, an Alberta wheat farmer and his radiant daughters pause between chores for a shy, engaging portrait.

Faces

s of Canada

A country as big and ranging as Canada cannot be pictured with any one pat generalization—and this is as true of the nation's people as it is of the nation itself. The Canadian knows both whistling prairie Winters and the smothering heat of a city Summer; knows how muskrat is trapped and how mink is worn; was raised with the creak of saddle leather and the hum of an automatic transmission. He is, in other words, as varied as the marvelously varied land in which he makes his home. Moving in on Canada's faces, the camera here records their individuality and incidentally captures their vitality.

Refinery expansion keeps a French-Canadian rigger busy at McColl-Frontenac's Montreal Works.

Deposits have been climbing steadily since 1948 in the bank this Albertan manages in a small town.

Fort St. John's lady editor mixes "personals" with oil and gas items in Alaska Highway News.

Like Stateside counterparts, McColl tank truck driver puts lots of faith in a cup of hot, black coffee.

Canadians now own three times the tractors, seven times as many combine harvesters as in 1941.

New industries moving into his area have meant substantial sales gains for this McColl consignee.

Bundled against British Columbia's chilly Fall, a driller watches as more pipe drives into the earth.

Cowpokes are as familiar in Alberta as they are in Texas. Calgary's "Stampede" is world's top rodeo.

After her night tour, a young nurse in Edmonton stops for coffee on her way home in early morning.

Development of the Canadian North will push this freight agent's railway into areas now remote.

EXCITEMENT ACROSS THE LAND

Canadians look forward to a period of tremendous growth during the next quarter-century; and the signs of expansion point to a coming generation that will be among the most prosperous of its time

Enthusiasm spreads across the new Canada, from one coast to the other, like a pleased blush. And no wonder: what has been predicted for Canada's future is enough to put color in a country's cheeks.

The few clouds which have appeared on Canada's economic horizon (business in the United States is weathering the same) certainly are not enough to overshadow the sunny long-range forecasts of the 1956 Preliminary Report of the Royal Commission on Canada's Economic Prospects.

This report, submitted to the government by a committee headed by Canadian industrialist Walter L. Gordon, predicted that the next 25 years should make even the explosive decade since Leduc seem quiet by comparison. Among the highlights of the study:

- By 1980, the average Canadian will have about two-thirds more net income for his own use, after paying his income tax; gross national product may triple, reaching $76 billion.
- Population may well increase to nearly 27 million, from the '55 level of 15,575,000.
- Total capital investment for things like new industries, highways, hospitals, and schools and universities may reach $21 billion.
- By 1980, Canada's metal mining industries should be producing five times as much copper, four times as much iron ore, and five times as much aluminum as in 1955. And the *value* of the production of nickel and uranium may equal that of copper.

"If these predictions hold up, it is easily possible that my grandchildren—along with the rest of Canada's next generation—will be among the world's most prosperous people," assays a Toronto businessman. To him and to all Canadians, such a prospect is more than simply pleasing; it's exciting, and the stimulation is infectious. From the Maritime Provinces of New Brunswick, Nova Scotia, and Prince Edward Island, all the way west to British Columbia, the excitement of a soaring economy has caught hold.

When it filed its report, the Royal Commission remarked that the dominant role to be played by oil and gas in Canada's future was perhaps the most striking single thing about forecasts of Canada's steadily mounting energy requirements.

Striking, indeed. By 1980, the Commission sees petroleum and natural gas as the most important energy sources by a wide margin—filling as much as 70 per cent of the nation's hugely enlarged energy needs.

"It is clear," the Commission reported, "that Canada's future economic development will depend to an increasing extent upon its resources of these fuels."

Sharing in this upsurge of petroleum consumption will be the McColl-Frontenac Oil Company Limited, Texaco's principal Canadian subsidiary. McColl-Frontenac, an integrated company, is a leading Canadian

By 1980, capital expenditures for new industries, roads, housing, schools, hospitals are expected to exceed $20 billion. Builders here are studying blueprints for shopping center.

marketer—and is a happy example of joint Canadian and U.S. ownership that has resulted in an opportunity for the average Canadian to invest in one of his nation's large enterprises. For several years it has been tooling up, literally and figuratively, to meet the new marketing opportunities Canada's future promises.

As the Canadian's buying power increases, and as the country's population swells, more and more goods and services will be called for from more and more industries. Basic to both the consumer and industry will be petroleum, and McColl management is getting ready now for the time when petroleum consumption reaches the levels which have been predicted. One important move was the acquisition in 1956 of Regent Refining (Canada) Limited which added to McColl's already considerable assets a 20,000-barrel-a-day refinery at Port Credit, near Toronto, and several hundred service stations, as well as additional bulk stations and sales terminals, in Ontario.

McColl has been adding steadily to its retail sales outlets, and now has approximately 4,500 throughout Canada. It also has been increasing its wholesale distribution points during the last several years, moving into areas where the development of natural resources has attracted new industrial users. Bancroft, Ontario, today an important uranium mining site, is an example of such an area. Chibougamau, a rich copper and zinc mining region in northern Quebec, is another.

Within the next two years, McColl expects to construct two new marine terminals on the north shore of the lower St. Lawrence River in a region where tremendous development programs for iron ore, aluminum, and pulp and paper are under way. It has never before marketed in this area, but has high hopes for its eventual sales here. In rapidly developing British Columbia, it plans to construct two more marine terminals—one on the northeast shore of Vancouver Island, one on the west coast of the mainland in the Prince Rupert area—from which reshipment could be made to

McColl-Frontenac is steadily expanding its refining facilities, to meet growing Canadian demands. Here new processing equipment is being installed at Port Credit refinery near Toronto.

A shipload of new autos moves inland to the greatly expanding Canadian market.

By 1980 average Canadian shopper should have two-thirds more spendable income.

Within two decades, petroleum and natural gas will be Canada's most important energy sources by a wide margin

proposed wholesale distribution points along the Canadian National Railways between Prince Rupert and Prince George, in the northern part of the region known as "caribou country."

New bulk stations in northern Alberta and northern Saskatchewan are being considered, too, as wise investments in view of the population booms in these Provinces. And a five-year program aimed at building McColl's sales to the farm market from coast to coast is being shaped up, with special farm-distribution bulk stations as the key installations. Considering that, since 1941, Canadian farmers have tripled their use of tractors and upped their purchases of combine harvesters sevenfold, the farm market stands to become substantial in McColl's future.

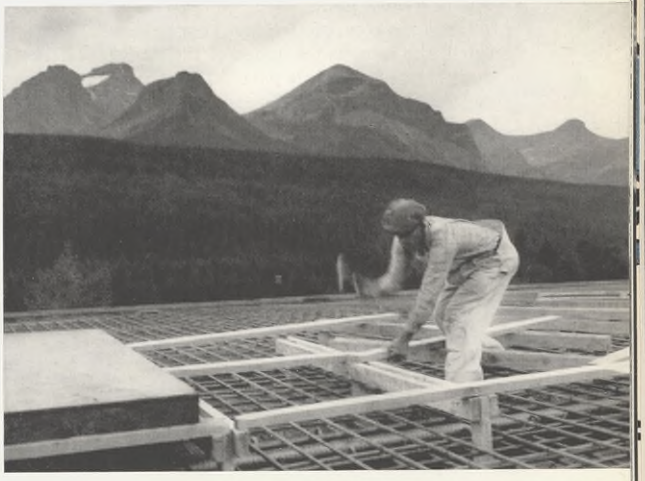
To make sure it will have the product to supply its expanding markets, McColl-Frontenac also has been carrying out a refinery expansion program during the last several years.

Its Montreal refinery, now rated at 59,000 barrels a day, making it one of Canada's largest, has been growing steadily since 1948—when it was rated at 18,000. "Seems to me," muses a French-Canadian rigger at

Barley-threshing scenes like this are still typical in Western Canada, but the Canadian economy is shifting to more industrialization.

New construction shoots up at record rates, in a country whose population may nearly double during the next 25 years. Above, constructing supermarket; below, building highway bridge at Banff.

Geologists (these work for Tex-Ex) are vital in search for Canadian oil.



Montreal, "we've been putting up a new unit or adding on to an old one ever since I came here."

At Port Credit, an expansion program has added catalytic cracking and polymerization facilities. And McColl's refinery at Edmonton, which went on stream in 1952 with a 5,000-barrel-a-day rating, now has a daily capacity of 12,000 barrels.

McColl is part-owner of two important Canadian pipe lines: the 253,000-barrel-a-day Portland-Montreal crude system, in which it has an 18 per cent interest; and Trans Northern Pipe Line—a products line in which it holds a one-third interest. This second line runs from Montreal to Toronto, Hamilton, and Ottawa carrying about 65,000 barrels of gasoline and middle distillates daily.

In 1948, McColl had no crude oil production in Canada: its crude was imported from the United States, the Caribbean, and the Middle East. Today it has 28 oil wells in operation on the company's holdings in the Pembina field, west of Edmonton. Last year, McColl moved into the Swan Hills area of Canada's North Country. It has drilled two wells here, both of them producers, is drilling several more. And during this past

McColl management aims present and future planning at meeting demand as it develops

Winter, McColl crews also moved into the remote and rugged Birch Hills region.

Getting into Birch Hills was quite an adventure. It meant shipping about 500 tons of drilling equipment by rail from Alberta, then barging it north from Fort McMurray on the Athabasca River. To make sure the river would not freeze before the barging was completed, McColl engineers checked weather records for the last 25 years to learn when first ice could be expected. At the most convenient point on the Athabasca they could find near the drilling site, engineers unloaded the barges and trucked the equipment 35 miles through wilderness to the drilling area. A trailer camp for about 25 men has been set up—its only contacts with civilization being short-wave radio and the occasional arrival of a bush pilot.

In the same area, McColl last year obtained rights to test-drill the famous tar sands of the Athabasca. Tests in these sands began this past Winter. Tex-Ex also has substantial holdings in this area.

In addition to the activities of its own producing department, the headquarters of which are in Calgary, McColl has an interest in some successful undertakings with Texaco Exploration Company.

McColl-Frontenac markets in nine of the 10 Canadian Provinces, using the Texaco trade mark. Its credit card holders, like their counterparts in this country, enjoy credit privileges at all McColl service stations—and a reciprocal arrangement allows both customer groups to use their credit cards in both countries. A Stateside Texaco user touring the French-speaking Province of Quebec, by the way, finds that familiar Texaco ad slogans take on a Continental air: "The Tower of Power," for example, becomes "La Tour de Puissance."

As Canada's road building program expands and new highways are opened, McColl expects to move Texaco insignia into more and more new markets. The new Banff-Jasper highway, which will be completed sometime next year to connect two famous vacation spots, is one important highway project on which McColl has begun putting up new outlets.

Today about 85 per cent of the Canadian population is strung out along a belt about 100 miles wide, pressing against the international border. But as industrial communities develop in more northern areas—the petrochemical complex that has shot up near Edmonton is an example—a population shift coupled with the expected tremendous population growth will support new outlets in many areas.

As Canada continues to industrialize, the enormous natural resources of its Far North will be developed more and more aggressively. McColl management sees a time, not too distant, when the Texaco red star with the green "T" will be a familiar sight in now lonely reaches of the Yukon, the upper Mackenzie Valley, and the Labrador-Ungava peninsula.

Canadians and the Canadian economy have plenty of room to grow in, certainly, and have been showered with huge helpings of the natural wealth a nation needs for growth. Canada's people know this, and are excitedly looking ahead to the day when the things that have been predicted for them become here-and-now reality: facts, instead of forecasts.

To a significant degree, that future will have been made possible by the power of petroleum, flowing out of the prairies and hills of Western Canada. •

CANADA'S SOURCES OF ENERGY

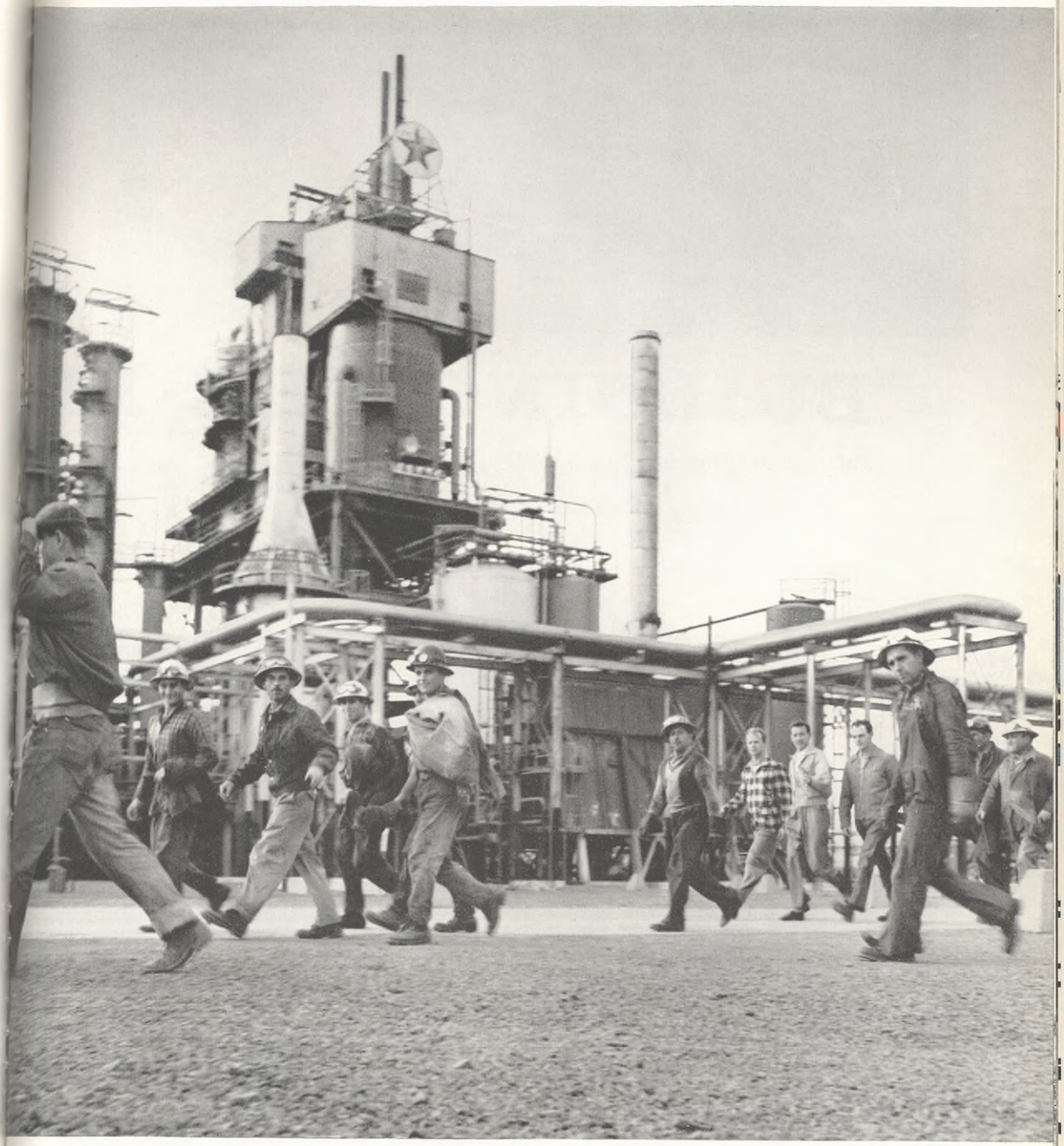
Source	1926	1953	1980
PETROLEUM	10%	42%	45%
NATURAL GAS*	2	4	25
COAL	69	39	16
WOOD	16	7	1
WATER POWER	3	8	11
NUCLEAR ENERGY	—	—	2
	100%	100%	100%

*Including natural gas liquids.
Data: Royal Commission on Canada's Economic Prospects. (Reprinted from Petroleum Week.)

McCOLL-FRONTENAC OIL COMPANY LIMITED

Refinery Runs to Stills (Barrels)	Year	Sales of Petroleum Products (Barrels)
29,642,259*	1957	27,932,299*
23,073,724	1956	21,933,527
18,581,803	1955	17,073,584
14,948,734	1954	14,450,528
14,016,049	1953	13,667,263
12,820,553	1952	13,067,937
12,879,634	1951	12,408,109
11,391,581	1950	11,183,652
12,757,073	1949	11,124,917
10,390,300	1948	10,479,945

*Includes increases resulting from acquisition of Regent Refining (Canada) Limited.



Day-shift workers leaving McColl-Frontenac's Montreal refinery, one of the largest in Canada (daily capacity is 59,000 barrels). Altogether, McColl-Frontenac Oil Company Limited employs slightly more than 2,500 Canadians.

Bucket dredging at Lake St. Louis on the St. Lawrence is typical of great dredging operations needed to create 27-foot-deep channel.

BUILDING THE BIG

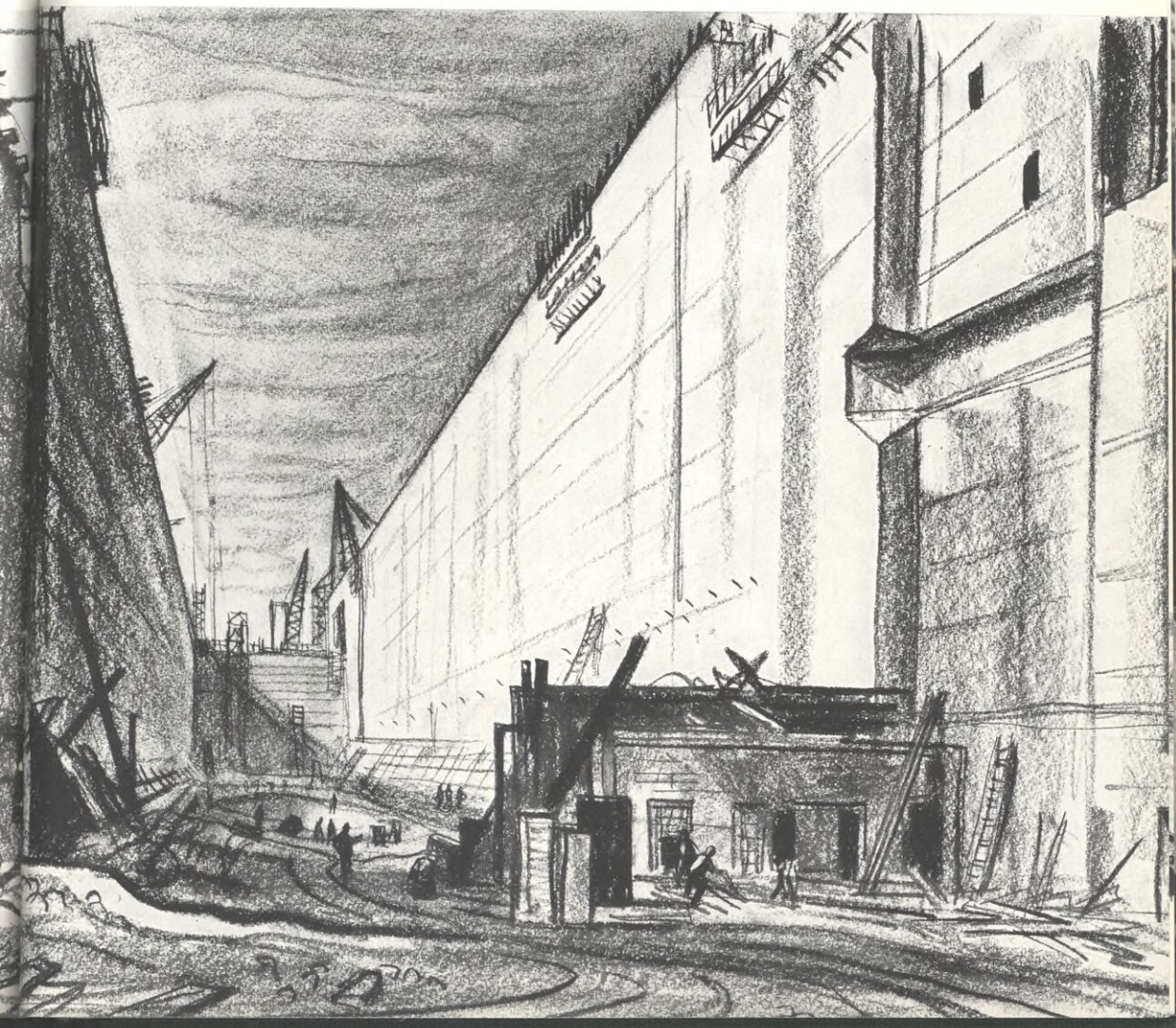
Paintings and Drawings by John S. Walsh

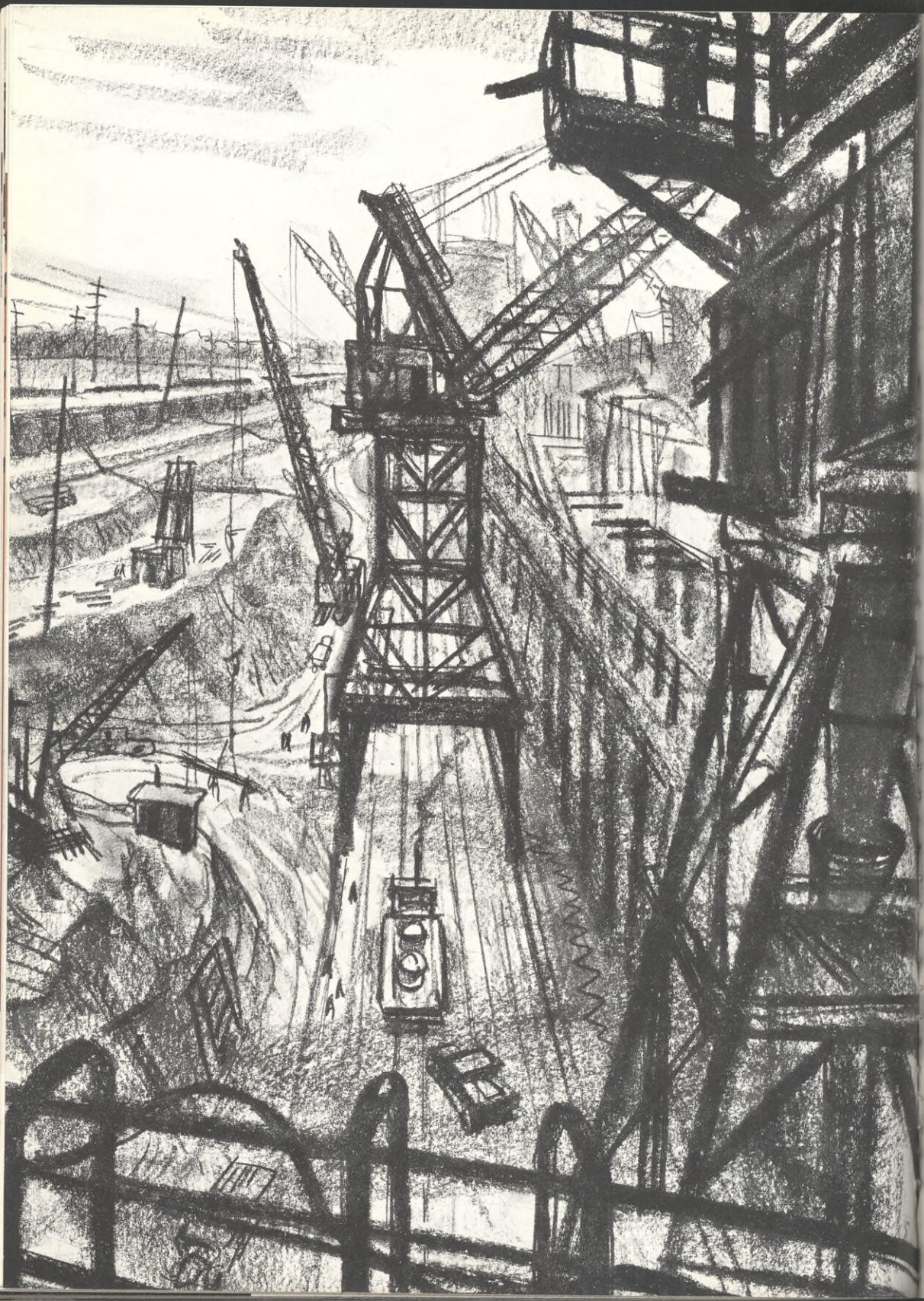
For 50 years, Canadians and Americans alike have dreamed of creating a deep-draft navigation route along the St. Lawrence River, which runs from the lower end of Lake Ontario to the Atlantic. In 1954, the governments of both countries agreed to share the costs of such a seaway; and when Canadian engineer-artist John Walsh made the sketches for this portfolio last Summer, work was well under way. Actually, the creation of a deep-water channel that will allow large ocean-going ships to travel all the way into the Great Lakes (smaller ocean vessels have been going into the Lakes for many years) is only one aim of the St. Lawrence program. The other is to bring a vast new hydroelectric power source to cities along the river through a system of dams that will ultimately develop almost as much power as the Grand Coulee—world's largest producer. While the Power Project and the Seaway Project are separate ventures, joint development of the river calls for close coordination. Also called for are large quantities of fuels and lubricants for the huge machinery being used on the two projects, and Texaco products are being supplied on both sides of the border—in Canada, by McColl-Frontenac—to keep things running smoothly. When first power is produced, sometime this year, and the first seaway section (Montreal to Lake Erie) is opened in 1959, the McColl and Texaco sales organizations will know the satisfaction of having contributed to one of the most important engineering jobs ever undertaken on the North American continent. CONTINUED

Eisenhower Lock near Massena, New York, is in heart of project. Lock will provide lift of 49 feet on Long Sault Canal.

Builders at Caughnawaga near Montreal contend with glacial till, often denser than concrete.

GDITCH





BUILDING THE BIG DITCH

The St. Lawrence Power Project will

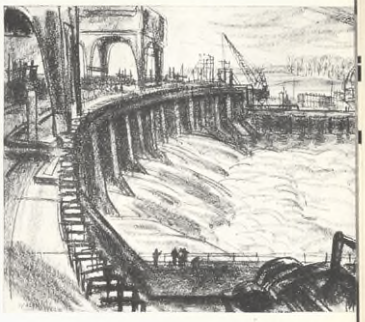
bring a vast new hydroelectric power source

to cities and industries along the river

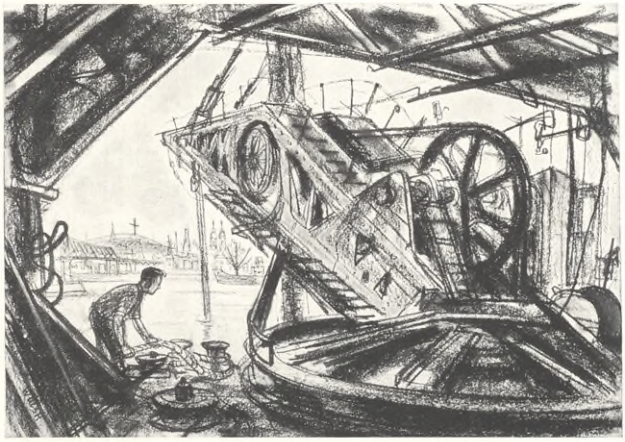
This Ontario village submitted to its relocation with wit and optimism.

View from U. S. to Canadian side of St. Lawrence power dam. Shown under construction is line of 32 turbine-generators, 16 on each side of international border.

Long Sault spillway near Massena will control water flow into Barnhart Island power pool, and from there into power dam.



Near Cornwall, Ontario, the Barnhart Island powerhouse will be world's second largest hydroelectric power producing station, topped only by Grand Coulee.



Bucket dredges in Montreal Harbor scoop as much as 16 tons of silt, sand, and rock from harbor bottom at a time. McColl supplies many of the dredging contractors on project.

BUILDING THE BIG DITCH

When the seaway is completed, ocean-going ships from all over the free world may navigate the Great Lakes as far inland as Duluth

Seaway channel cuts beneath Montreal's Jacques Cartier Bridge, which has been raised to provide clearance for ships and has had new, taller piers added without interrupting traffic.

From Canadian side of power dam, at night, men and machines are seen at work on one of three shifts which keep work going 24 hours a day. Dam is scheduled for power generation sometime this year.

A Texaco industrial salesman at Long Sault Canal chats with a contractor's lubrication engineer.

At Caughnawaga a McColl representative confers with a contractor's superintendent.

Marion J. Epley, Jr., Named Assistant to Chairman

Appointment of Marion J. Epley, Jr., as Assistant to the Chairman of the Board of Directors of The Texas Company was announced recently by Board Chairman Augustus C. Long. Mr. Epley had been serving as General Attorney for Texaco, in its New York offices, since 1953. Graduated from Tulane University Law School and admitted to the Louisiana Bar in 1930, he practiced law in New Orleans until 1947, when he joined Texaco's Legal Department in that city as an Attorney. He was named the Company's Chief Attorney for Louisiana in 1948, and three years later was promoted to General Attorney in New Orleans. In 1952 Mr. Epley was transferred to the New York offices. During World War II, he was a lieutenant in Naval Intelligence and Aide to the Commandant, Eighth Naval District, New Orleans.

★ BRIEF AND POINTED ★

The S S Trinidad, one of the largest (46,000 deadweight tons) tankers ever built in this country, was launched by Texaco on February 27 at Bethlehem Steel Company's Sparrows Point Shipyard near Baltimore *(see overleaf)*. The new ship was christened by Mrs. J. B. Christian, wife of the Company's Vice President in charge of Trinidad operations. Almost 50 per cent larger than any vessel built at Sparrows Point previously, the *Trinidad* is the first of a series of tankers of this size to be built here. She has an over-all length of 736 feet 4 inches, a breadth of 102 feet, depth of 50 feet, and a draft of 37 feet 11 inches. Her cargo capacity is 16,615,000 gallons—three times that of the conventional T-2 tanker—divided into 33 compartments, arranged so that four separate grades of oil may be transported at one time. Her capacity, coupled with a sea speed of 16 knots, will enable her to do more than three times the work of a T-2. She is tentatively scheduled to be commissioned for service late in May.

Construction *of a new 16-story Texaco office building was begun this Spring adjacent to the building the Company already occupies in Houston at Rusk Avenue and San Jacinto Street. The new structure will be at the corner of Rusk Avenue and Fannin Street. When the project is finished, the two buildings will accommodate all Texaco employes in Houston, including those now in other buildings, and will provide for future expansion. An eye-catching feature of the completed structure will be the extension of the present building's arcade—a Houston landmark for more than 40 years—blending and unifying the street level floor of the two buildings. . . . Around the first of May, another new Texaco building will open in Los Angeles. The Los Angeles structure will have 12 office floors and house the Company's West Coast headquarters organization. Its address: 3350 Wilshire Boulevard, at Catalina Street, in the center of the city's main shopping district.*

Concessions in eastern Peru, amounting to about 1,200,000 acres, were recently taken over by Texaco and a newly formed Peruvian company, Petrolera Yurimaguas. The concessions, formerly held by the Compañia Peruana de Petroleo El Oriente, S.A., are between the Marañón and Huallaga Rivers, running north from the city of Yurimaguas on the latter river. In the operating agreement, Texaco holds a two-thirds interest in the undivided concession. Petrolera Yurimaguas holds the remaining one-third. Texaco plans to carry out all the exploration operations, and movement of equipment to the first location is now under way.

Credit for the words and pictures in this issue is due the men shown at right. Last Fall, lugging some 500 rolls of film and four cameras, free-lance photographer J. Alex Langley of New York City began a four-week coverage of Canada that resulted in more than 2,500 negatives and color transparencies—and the photos reproduced in this special issue. With him went Staff Writer Gordon Bowman, whose tools (pencils and notebooks) were considerably less burdensome. During the Summer, Canadian artist and engineer John S. Walsh sketched scenes at key points along the St. Lawrence Seaway and at the Power Project, later worked in his studio at his home in Lachine, Quebec, making finished paintings and drawings. British-born Walsh, whose work is hung in Montreal's Fine Arts Museum, has an international reputation as an industrial artist.

JOHN S. WALSH

GORDON BOWMAN

J. ALEX LANGLEY

In the heart of the Alberta wheat country, a McColl dealer services a tractor. Grain elevators in background are regional landmarks.

LIFT FOR SPECIAL PICTURE SPREAD ON LAUNCHING OF S S TRINIDAD ▶

"I christen thee TRINIDAD"

Gripping the traditional champagne bottle firmly, Mrs. J. B. Christian, the Trinidad's *sponsor, times her swing neatly to christen the big new Texaco tanker on February 27, 1958.*

A ship is not yet a ship, truly, as she sits on the ways ready for christening. She is a hull, registered in marine insurance records according to her hull number. When she hits the water, after the proclamation "I christen thee . . ." and the crunch of a bottle of champagne against her prow, she becomes officially a ship. Now the records are changed to acknowledge her proud new status. Several months of outfitting lie ahead before she is put to sea for her deep-water trials and, eventually, is commissioned for service. Still, the ceremony of giving her a name is one of the high points of her career, and is an exciting event for members of a christening party. . . . Sparrows Point Shipyard was dark, chill, and hung with fog on the February morning *SS Trinidad* slid down the ways to join the Texaco fleet. But the weather that wet the scene did not dampen the enthusiasm of the group gathered to wish the big new tanker well. The photos here show some of the members of the party that helped dedicate the *Trinidad's* evolution from hull to ship, whereby she became not only a new member of the fleet but also a symbol of Texaco's Western Hemisphere expansion.

Her clean lines looming out of a misty morning at Sparrows Point, Maryland, the SS Trinidad *sits on the ways—ready to be launched.*

Left to right: Augustus C. Long, Chairman of the Board of Directors, and Mrs. Long; Mrs. J. B. Christian and Mr. Christian, Vice President in charge of Texaco's Trinidad operations.

The ladies in the party, pictured at Baltimore's Sheraton-Belvedere Hotel where luncheon was served following the launching.

Memento of launching is presented to Mrs. Christian by J. V. C. Malcolmson, Marine Department General Manager.

After the launching, the 46,000-deadweight-ton Trinidad *is maneuvered to outfitting-berth. She is tentatively due to be commissioned for service late in May.*


TEXACO
ALBERTA
WHEAT POOL
CO-OPERATIVE

	PETROLEUM
	NATURAL GAS
	SILVER
	SALT
	ASBESTOS
	COPPER
	IRON ORE
	GYPSUM
	TITANIUM DIOXIDE
	ZINC
	GOLD
	PLATINUM
	URANIUM
	LEAD
	SODIUM SULPHATE
	COAL
	FLUORSPAR
	NICKEL

MINERALS UNLIMITED

When the great sheets of ice that covered most of the world's northern latitudes began breaking up at the close of the Ice Age—25,000 to 50,000 years ago—they moved across North America with immense power. The sandpapering action of these glacial movements left in Canada vast areas glittering with mineral wealth that is unmatched anywhere. Gold, copper, silver, nickel were all there for the picking; and last year, miners picked a record $2-billion-plus worth of these and other Canadian minerals depicted above. Hundreds of millions of years before the Ice Age, sediments began collecting on the beds of now-extinct seas and became the geologic formations in which accumulations of crude oil and natural gas have been found in modern times. Tapping these immense petroleum reserves last year, the Canadian oil industry (it celebrates its 100th anniversary in 1958) brought from the earth nearly half a billion dollars worth of crude oil—to make petroleum Canada's leading mineral commodity.