

The **TEXACO STAR**

MARCH - APRIL - 1929



ANNUAL REPORT *of the* **PRESIDENT**
for 1928



INTERIOR OF BOILER HOUSE, TERMINAL OF
THE TEXAS COMPANY AT PORT ARTHUR, TEXAS

INVESTMENT *and* WELFARE PLANS *for* EMPLOYEES

Stock Investment Plan [A]

FOR many years The Texas Company has had in force a Plan pursuant to which it assisted employes in the purchase of stock by (a) contributing a part of the purchase price, and (b) assisting in financing the stock purchases.

Heretofore the Company's contribution to the purchase price of the stock was fixed annually by the Board of Directors, and the Board took into consideration all factors existing at the time, but did not have a fixed rule by which to measure the Company's contribution to the purchase price.

Recently, however, the Plan has been modified so as to put the employes on a profit-sharing basis, thus, to a limited extent, making the employes partners in the business.

Commencing with the year 1929, and until otherwise ordered by the Board, the Company's contribution to the purchase price of the stock purchased for employes is to be 15% of the net earnings for the preceding year in excess of 6% on the average invested capital for the year.

In other words, the net earnings for the preceding year are to be ascertained; the average invested capital is to be ascertained; and 6% of the average invested capital is to be deducted from the net earnings.

Fifteen per cent of the balance is the Company's contribution to the stock purchase plan, with a proviso, however, that the Company will not pay more than 50% of the purchase price of the stock to be allotted employes. This Plan gives every employe a share in the net profits and a direct interest in the prosperity of the Corporation and its subsidiaries.

The directors recognize that salaries and wages must be paid whether the Company is prosperous or otherwise; they feel that after the payment of salaries and wages the stockholders of the Company are entitled to a return of 6% on the invested capital; and that after both of these charges have been cared for, the employes should participate in the profits, and in recognition of this principle have adopted the new Plan.

Death and Disability Plan [B]

THERE has likewise been in force for many years a Death and Disability Plan with which all employes are familiar.

Under the old Plan, in the event of death or total and permanent disability of an employe who had been in the service five years or longer, he was entitled to receive his last year's salary or \$5,000, whichever was less. If he had been in the service less than five years, the amount was proportionately reduced.

Under the new Plan, there is no change as to employes who have been in the service five years or less, but a larger benefit applies to those who have been in the service longer than five years, an addition of 5% of the total being added for each year of service in excess of five, so that an employe who has been in the service six years is entitled to his last year's salary plus 5%, or to \$5,000 plus 5%, whichever is less, and an increase of an additional 5% for each additional year, with a maximum, however, of double the last year's salary or \$10,000, whichever is less.

The following paragraph quoted from the Plan contains a new feature:

"On and after the first day of January, 1930, the Plan shall automatically apply to all employes who are or who become 65 years of age, unless the Company affirmatively elects to continue such employes in the service. Any such employe so continued in the service may at any time thereafter voluntarily retire and take the benefits of the Plan or he may be retired by the Company and given the benefits of the Plan."

Printed copies of both Plans are being mailed to all employes, and every employe should thoroughly familiarize himself with these Plans and retain the printed copy in his private files.

The purpose of the Board of Directors in extending these additional advantages to employes under both Plans is to recognize the lively spirit of cooperation that has pervaded the entire organization, and, at the same time, to ensure a still more lively spirit of cooperation, a still greater economy of operation, and an increased measure of efficiency.

The details of both Plans, and the method of administration remain substantially unchanged.



*Five-Gallon Can Filling Room,
Case and Package Plant, Port
Arthur, Texas*

PACKAGE PERSONALITY

By P. W. GAUSS

Supervisor, Cost Department, Case & Package Division, Port Arthur, Texas

TIME has proved the commercial adage that merchandise, well-displayed, is half sold. That in no way reflects upon the quality of the merchandise, but it does point to the fact that in any kind of merchandising there is a psychological relationship between the appeal to the eye and the decision of the mind. A good example of this is the present array of colors found in practically everything from a kitchen clock to a motor car.

The quality of *Texaco* products is the best, but to be merchandised in retail quantities they must be

properly presented in packages. These packages are cans and cases, the case being the shipping container of the can. The stories of both are interesting and romantic. We will here, however, confine ourselves to a brief sketch of the can family.

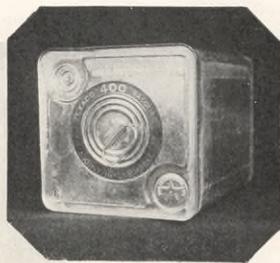
Tin plate is the basic material used in the manufacture of cans. It is carefully selected and inspected,



*Five-Gallon Handi-Grip
Motor Oil Can*



*Section of the Case and
Package Plant*



Sample of Standard Five-Gallon Gasoline Can



Another View of the Case and Package Plant, Showing Portion of Grounds

so as to eliminate the smallest imperfections. The quality of the package must be on a par with the high quality of the product contained. Tin plate possesses a grain much in the same way as wood, and in the manufacture of cans the grain is so placed as to eliminate possible splitting. Every shipment of tin plate received by the Case and Package Division is accorded a rigid series of tests, so that the highest standard may be maintained. These tests are for weight, thickness, ductility, strength, and general appearance.

The tin, having been properly shaped into position, must be secured. This is done with solder, which is made up from a mixture of lead and tin. Solder is important in the manufacture of cans, and carload lots of pig lead and pig tin are purchased to meet this need. Like the plate itself, these metals are thoroughly tested to insure compliance with specifications. Flux is an adjunct of the solder, the purpose of which is to make for adhesion between the two metals. This also is chemically tested before actually being used in plant operations.

The Case and Package plant at Port Arthur, Texas, looks more like an institution than a factory. Carefully laid out and landscaped, its substantial and well-proportioned buildings convey the thought that there is art to industry. Well-lighted from a sky that is generally cloudless and ventilated by the cooling breezes from the gulf, this plant furnishes a setting that is in keeping with *Texaco* standards. Here hundreds of interested and con-

tented workers, operating the most efficient machinery, make a daily effort to better the package creation for *Texaco* products.

The Texas Company manufactures some forty different styles of tin containers for its products at this plant, in order to satisfy the needs and requirements of a world trade. These packages must not only be attractive; they must be sound and substantial, leak proof and air proof. They must furnish assurance that the quality of the product will be uniform from the Amazon to some place east of Suez. Some are plain, some are lithographed in colors, some tall, some short, some square, some round. They are in use in every part of the world.

As an element of safety, plain cans in which gasoline is shipped are marked prominently on the top with a red lithographed circle. This marking warns against improper handling. Its story is told in the language of the country to which it is being shipped. Red is the universal sign language of danger, understood even by those who cannot read or write. The average daily output of five-gallon cans at the Port Arthur plant is equivalent to fifteen solid car loads; this gives *Texaco* the distinction of being one of the world's largest producers of five-gallon square cans.

Nearly all of the plain five-gallon cans are used in the foreign distribution of products. At the Port Arthur plant one hundred thousand cans, in cases of two cans per case, may be loaded daily into ships in the harbor. This is effected through a special



Window Display Illustrating Cases and Containers for Use in Export Trade

loading system, efficient and ingenious. An ocean vessel can be loaded with a solid cargo of case goods in four or five days. Were the daily consumption of tin plate made up into one can, it would make a can 200 feet square and 275 feet high, as big as some of our larger buildings. Seven miles of wire are consumed daily in making handles for the cans.

Lithographed cans, although used in both foreign and domestic trade, are more generally used in the latter. All lithographing is done in the plant, where, in order to insure uniformity, inks are made up from the dry colors. The manufacture of these inks requires a great amount of skill, and when applied to the metal, each color requires a separate feeding through the press. In addition, after being applied by the press, the color must be baked in special ovens, after which they are varnished in order to secure the desired lustre finish and to prevent scratching or defacing.

To emphasize the human element of care which enters into the manufacture of *Texaco* cans it must be said that thirty-three per cent of all labor at the plant is of a supervisory or inspective nature. A large per cent of the labor forces, particularly in the Specialty Can Department, are girls, whose taste and adeptness has proved their superiority over men. Most of these girls are from the Louisiana "Evangeline country" and

direct descendants of the early Acadian settlers who were evicted from their territory in Nova Scotia in 1755. They are thrifty and admirable workers and are carefully selected, trained and placed according to their qualifications. The manufacture of cans frequently requires very intricate work. For instance, the *Texaco* one-half gallon Handy Grip Motor Oil can requires seventy-six separate labor operations, involving ninety-two workers.

Texaco cans have been designed for convenience as well as appearance. To the customer, it is an annoyance to get a package that is difficult to open or one whose contents cannot be handled without soiling the hands. Hence cans have been developed with disappearing spouts; knurling placed on screw tops so as to increase grip when unscrewing; caps provided with breathers, so that the contents will pour freely; lugs placed for locking into position attached spouts, indentations in the body of the can for greater ease in holding and handling, and specially designed spouts for reaching inaccessible crank case openings.

All cans are packed in carefully constructed and perfectly fitting cases. The lithographed cans are neatly encased in transparent paper, which preserves their beauty without blurring their identification. The cases themselves are

(Continued on page 32)





WIDE WORLD *Modernistic Gardening: Featured at the International Flower Show*

The FLOWER SHOW

THE Herbert Hoover Orchid, in keeping with the Herbert Hoover tradition, polled the largest vote at the recent International Flower Show in Grand Central Palace, New York City. Horticulturally, of course, it was the chief event of a week that was, in every sense of the word, colorful.

Not to be outdone, the Lou Henry Hoover Orchid likewise made its debut, and while it came out second best in the voting, the deep lavender, full-throated entry attracted a large and admiring throng for the duration of the show. Its owner experimented eight years to produce it, and he values the flower at \$500.

The Palace, for the seven days of the show, became an enchanting garden, made up of countless smaller gardens with their fountains and flowers and their petal-strewn paths. In a desire to achieve reality, and in the complete achievement of that desire, exhibitors augmented their displays with birds, which chirped merrily from every corner of the hall.

One garden featured Japanese cherry blossoms alone, adjoining it was a rock garden smothered with small, colorful representatives of wild and domestic groups; just beyond one encountered a spring garden, with pink sweet peas climbing the trellis, and a white picket fence binding together the jungle of color.

Displays reached extremes: Gardens holding tall, stately flowers that seemed to nod their heads patronizingly atop their slender stems, and other gardens with shallow pools where lilies spread themselves out in evident, pleasurable informality.

Visitors acclaimed it the finest exhibit of all the sixteen which thus far have been held. The Palace was crowded for the duration of the show, and indications point to a display next year even more lavish than this.

The competitive instinct continued this year to make itself evident; exhibitors good-naturedly staged their contest, extremely eager to hear their exhibits praised.



WIDE WORLD

Lou Henry Hoover Orchid

The TEXACO STAR

Printed monthly for distribution to employees and stockholders.

"All for Each—Each for All"

Address: The Texaco Star, The Texas Company

17 Battery Place New York City



The TEXACO STAR

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APPRECIATION

THE officers of the Company desire to express herein their appreciation of the manner in which those responsible for our operating and accounting records have completed their annual reports and enabled us to get out our consolidated annual reports so early this year. Doing business all over the world as we are, it is a very creditable accomplishment.

We realize, however, that it entails a good deal of strenuous and overtime work, and in order to extend the time for this work in this connection we have arranged that our annual stockholders' meeting in the future will be held one month later than heretofore.

Also, we wish to express our appreciation and to compliment those who have contributed so effectively to the improvement in operations and earnings of the company during the year 1928.

R. C. HOLMES, *President*

The PENALTY of LEADERSHIP

IN EVERY FIELD of human endeavor, he that is first must perpetually live in the white light of publicity. ¶Whether the leadership be vested in a man or in a manufactured product, emulation and envy are ever at work. ¶In art, in literature, in music, in industry, the reward and the punishment are always the same. ¶The reward is widespread recognition; the punishment, fierce denial and detraction. ¶When a man's work becomes a standard for the whole world, it also becomes a target for the shafts of the envious few. ¶If his work be merely mediocre, he will be left severely alone—if he achieves a masterpiece, it will set a million tongues a-wagging. ¶Jealousy does not protrude its forked tongue at the artist who produces a commonplace painting. ¶Whatever you write, or paint, or play, or sing, or build, no one will strive to surpass or to slander you, unless your work be stamped with the seal of genius. ¶Long, long after a great work or a good work has been done, those who are disappointed or envious continue to cry out that it cannot be done. ¶Spiteful little voices in the domain of art were raised against our own Whistler as a mountebank, long after the big world

had acclaimed him its greatest artistic genius. ¶Multitudes flocked to Bayreuth to worship at the musical shrine of Wagner, while the little group of those whom he had dethroned and displaced argued angrily that he was no musician at all. ¶The little world continued to protest that Fulton could never build a steamboat, while the big world flocked to the river banks to see his boat steam by. ¶The leader is assailed because he is a leader, and the effort to equal him is merely added proof of that leadership. ¶Failing to equal or to excel, the follower seeks to depreciate and to destroy—but only confirms once

more the superiority of that which he strives to supplant. ¶There is nothing new in this. ¶It is as old as the world and as old as the human passions—envy, fear, greed, ambition, and the desire to surpass. ¶And it all avails nothing. If the leader truly leads, he remains—the leader. ¶Master-poet, master-painter, master-workman, each in his turn is assailed, and each holds his laurels through the ages. ¶That which is good or great makes itself known, no matter how loud the clamor of denial. ¶That which deserves to live—lives. *Reprinted through the courtesy of the Cadillac Motor Car Company.*



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PIONEERING *in* PETROLEUM

*The Third of a Series of Articles on the History
of the Petroleum Industry from the Earliest
Times to the Present Day*

by JAMES TERRY DUCE

Eveleth and Bissell are encouraged to dig a little deeper;
Mr. Drake becomes Colonel Drake, and the town
of Titusville is suddenly oil-minded.

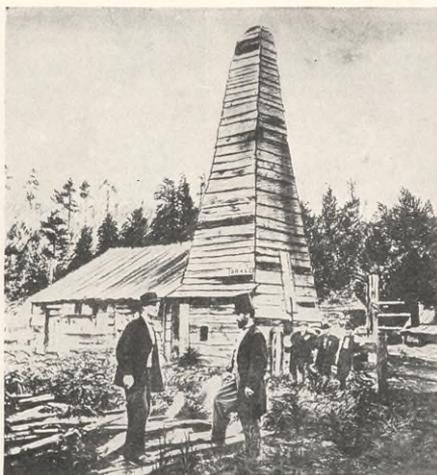


PROFESSOR SILLIMAN'S pronouncement that the property owned jointly by the New Yorkers, Eveleth and Bissell, indicated the presence of "oil of a much higher value as an illuminator than one dared hope," encouraged those gentlemen mightily. They began to regard their holdings in Cherrytree Township, Pennsylvania, with increased respect.

Some years before, J. D. Angier had reported producing oil on the same site by digging ditches and skimming it from the surface of the water. Eveleth and Bissell had paid \$500 in cash for this tract, and signed notes for \$4500. We are told that \$25,000 was mentioned as the consideration in the deed, in order not to appear such a small fraction of the total capital of the company they proposed immediately to organize. The Pennsylvania Rock Oil Company shortly had its genesis, and articles of organization were deposited in New York and Albany.

But New York at the time was in the throes of economic depression and the Empire State law fixing the responsibility of shareholders in a joint-stock company was not without its dispiriting effect. New Yorkers either could not or would not buy. Certain citizens of New Haven then agreed to subscribe for reasonably large blocks of stock, and the company was therefore re-organized under Connecticut laws for \$300,000. But trouble continued to follow in the company's wake; Eveleth and Bissell became increasingly depressed, and the optimistic forecast of Professor Silliman became more and more a bloomer.

Bissell happened about this time to be in New York City, standing dejectedly one day in front of a drug store on Broadway, and his eye was attracted



The Drake Oil Well near Titusville, Pennsylvania

by a window display of Kier's Petroleum, a patent medicine of that period. In the window was what appeared to Bissell to be, at first glance, a four hundred dollar bill. Upon looking closer, he noted that the bill actually denoted the depth to which the manufacturers allegedly went to extract the components of their cure. The figures "400" were displayed prominently, beneath which was the incidental "... feet beneath the surface of the earth, Kier's Petroleum is pumped up." Bissell, upon making inquiry in the store, was invited to take the bill with him.

In the street, a sudden idea seized him: Bore artesian wells for oil! Artesian wells, artesian wells! The words kept ringing in his ears, and he strode excitedly off.

Eveleth was deeply interested in what Bissell had to suggest and later they had several conferences with a Wall Street broker named Havens, who signed a contract with them to pay twelve cents a gallon for all the oil they produced in fifteen years. Havens, however, became financially involved in other matters and was unable to carry out the terms of the contract. The disappointment, while great, was not sufficient to dampen the spirits of Eveleth and Bissell; the idea of drilling for oil was too fascinating.

Mr. James Townsend of New Haven, who had become president of the Pennsylvania company in place of Professor Silliman, communicated with a certain Edwin L. Drake of New Haven, now withdrawn because of illness from his position as a conductor on the New York and New Haven, and

Label on Kier's Petroleum,
which gave Bissell an Idea



Main Street of Titusville,
in 1861



sent him to the Cherrytree Township site to investigate. In order to impress further the good people of the settlement with the importance of his emissary, Townsend designated him "Colonel" Drake; the title remained for the rest of his life.

Colonel Drake first visited Titusville in 1857; from there he went to Tarentum to visit the salt-wells, from which Kier's Petroleum, according to the label, was taken. He proceeded with great speed and greater enthusiasm to New Haven, bursting to tell his story.

According to the lease immediately drawn up in favor of Edwin E. Bowditch and Colonel Drake, the Pennsylvania Rock Oil Company was to receive "five and one-half cents a gallon for all oil raised for fifteen years." The consideration later was changed to "one-eighth of all oil, salt or paint produced." The Seneca Oil Company was organized soon afterward with Colonel Drake as president; no stock was issued, since the company was actually a partnership working under the laws governing joint-stock associations.

In "Sketches in Crude Oil," by John J. McLaurin, the early activity of the indefatigable Colonel Drake is described as follows:

"Provided with a fund of one thousand dollars as a starter, Drake was engaged at a salary of one

thousand dollars a year to begin operations. Early in May, 1858, he and his family arrived in Titusville and were quartered at the American Hotel, which boarded the Colonel, Mrs. Drake, two children and a horse for six dollars-and-a-half a week!

"Money was scarce, provisions were cheap,

and the quiet village put on no extravagant airs. Not a pick or shovel was to be had in any store short of Meadville (thirty miles away), whither Drake was obliged to send for these useful tools. Behold, then, 'the man who was to revolutionize the light of the world,' his mind full of a grand purpose and his pockets full of cash, snugly ensconced in his comfortable hostelry. Surely the curtain would soon rise and the drama of 'A Petroleum Hunt' proceed without further vexatious delays."

Drake first directed his attention to Angier's old system of trenches and skimmers, and before July arrived, he was saving ten gallons of oil a day. He nearly met his Waterloo, however, in attempting to sink an artesian well; misfortune nagged him at every turn. He found it very difficult to get a practical "borer," and in the late summer he bargained with a New Haven concern for a steam-engine to provide the drilling power. The engine, however, never arrived, and the "borer" who had been hired was unable to leave Pittsburgh, so the group dejectedly put over its activities until the following spring.

Meanwhile the irrepresible Colonel Drake negotiated for a driller, who was to come from Tarentum as soon as possible. The Colonel passed a fitful month in waiting, and when the driller failed to

put in an appearance, he started off to Tarentum to find another. Here he was told that tools were made by a certain William A. Smith, who accepted the offer to manufacture the necessary implements and to bore the well, and who brought his two sons to Titusville with him as assistants.

Late in May the group assembled at the place indicated for the digging of the hole; the derrick had already been erected and the pump-house beside it. After having devoted months to thumb-twiddling, it began to appear as though something definite and constructive were about to happen.

Grief, however, continued to sit at the Colonel's right hand; in the crew's necessary groping for bedrock, water persisted in filling the hole and causing the sides to cave in. It developed into a fight between the tireless group of workers and what Barnum's press agent once termed "the cussedness of inanimate things." Colonel Drake, in despair, suggested reaching rock through the clay and quicksand by driving an iron tube through it, and this stroke of genius enabled them to reach rock without further ado and begin the actual drilling. The work was tedious, and the financial backers began to grow tired. The Colonel gritted his teeth and continued working, and two loyalists of Titusville endorsed his paper for money he could not do without.

On the otherwise uneventful afternoon of August 28th, 1859, William Smith, lieutenant to Colonel Drake and in command of the drilling forces, decided to call it a day. Prior to his setting out for home with his sons, he noted that the drill had suddenly dropped six inches into a crevice such as is common with salt-wells. They proceeded home, thinking nothing of it.

The following afternoon—Sunday—William returned to the well to look things over: Fluid had risen nearly sixty feet in the hole, and Smith, now

thoroughly excited, dropped a piece of tin-spouting in the hole with a bit of string attached to it. The spouting came up saturated with petroleum. William, almost prostrated with excitement, dipped the spouting into the hole time and time again; each time it was drawn up reeking reassuringly of oil.

Titusville was panicked: The gladsome tidings spread like prairie fire, and the more visionary of the business men scurried to acquire property in the vicinity of the Drake well. Buildings sprang up over-night, hotel rates skyrocketed, and staid men of commerce from New York and its environs swooped upon Titusville, as enthusiastic as small boys in the wake of a circus calliope.

Colonel Drake, evidently satisfied with having created a furor, sat peaceably back and permitted his friends to enjoy the benefits of his ditch-digging. When questioned about it, he confessed to but a slight interest in the proceedings and pointed out that the comparatively trifling revenue he was currently deriving from the well was enough for his modest needs.

Biographers of the period are disinclined to fasten too much credit upon Drake's shoulders for starting the ball rolling; behind Drake, it is asserted, were Kier and Bissell, and Bissell was fully the man of vision that Drake was not.

Drake remained in Titusville for some time, lionized to the king's taste and showered with such civic positions as were within the power of the village to bestow. He dabbled a bit in oil stock and, by more luck than wisdom, managed to roll up a then sizeable fortune. With about \$16,000 in his pocket, Colonel Drake and his faithful wife left Titusville in 1863 for the reportedly more fertile financial pasturage of Wall Street. His savings gnawed themselves out of his pocket and, in a short time, he and his wife were destitute. (Continued on page 31)



Oil City, Pennsylvania, About 1860



Harbor of Rio de Janeiro, with the Sugarloaf in the Background

Seeing SOUTH AMERICA First

by T. K. SCHMUCK

IF MR. DOE feels aggrieved because his sterling worth brings no heartier commendation than is indicated by the adjacent document, let him look at his passport photograph. Mr. Doe may have a heart of gold as he believes, and it may be true that he is no more unprepossessing than the common run of unincarcerated humanity, but a thug scowls back from his photograph, one whose face justifies even blacker suspicions than those the District Attorney seems to harbor.

Mr. Doe's certificate of undiscovered criminality, if accompanied by proof that he travels on legitimate business and that recently he was vaccinated successfully will let him into Argentina and Brazil, provided he has a proper passport properly visaed.

South American immigration officers do not manifest that passion for collecting travellers' photographs which afflicts some of their European colleagues. Two years ago a half dozen photographs were demanded of one going from

Constantinople to the Turkish capital, Angora. Nevertheless, the South American tribe is not entirely free from this vice. Mr. Doe must have ready an extra picture of himself or so for distribution to those who have the collector's instinct. As he supplies himself with these additional photographs, Mr. Doe wonders what happens to all the travellers' photographs gathered by all

the immigration officers of all the world. Nothing good, surely, for he remembers the traveller who placated Russian officials with pictures of some one else.

A person who has travelled only on the North Atlantic cannot conceive that ever sea and sky could be so blue, so placid, as last November they were from off the Bermudas until the steamer rode into Rio Harbor. But it is a long trip from New York to Rio, and a longer trip to Buenos Aires (nearly twice as far as from New York to Southampton) and sea and sky, no matter how calm, how blue, pall after a while. Day

County of New York
District Attorney's Office
137 Center Street
New York

NOAR H. BEATTIE
DISTRICT ATTORNEY
HONORABLE COMMISSIONER OF IMMIGRATION TO
THE DISTRICT ATTORNEY AND CLERK OF THE DISTRICT
COURT NEW YORK

New York Nov 3rd 1928

Consul General of Argentina
17 Battery Place
New York

Sir:-

A search of the records of this office shows that there is no warrant or criminal process outstanding in the County of New York against *John Doe* during the past five years.

I am informed by the Bureau of Criminal Identification at Police Headquarters that there is no criminal record there of the said *John Doe* during the past five years.

Respectfully yours, *Richard Roe*
Secretary

Visa-Gratiasal solo efecto
de la Ley de Inmigracion
New York
Nov 9 - 1928

Consul General of Argentina
646717
PASSPORT No. 646717

after day the heat increases. Day lags after day and nothing relieves the monotony, except a sight of flying fish skimming the waves, the flash of porpoise fin, or, if you are lucky, a whale. By the end of your journey, you have about exhausted the ship's library and you debate with yourself whether you will re-read "The Adventures of Frank Merriwell" or whether for the first time you will dip into "Elsie Dinsmore" or "The Lives of Robert and Mary Moffat." From the immaculate condition of the last volume, it may be affirmed that no traveller has grown so desperate as to learn who the two Moffatts were.

rescued a rescue party sent to rescue them. The explorer had strange tales to tell of wild beasts, savage Indians and flesh-eating fish. A father told him of a small boy back in New York, a boy full of brave imaginings, and who, if the truth were told, has been known to take sword and gun to bed, and to wake up crying "Musketeers to the rescue!" This boy plans to be an explorer when he is grown, provided, as he says, "there is anything left to explore." When the explorer heard this, he said dryly, "I hope the boy has better sense when he is grown."

I wonder if the explorer really meant this.

I doubt it.



Canal Scene, Rio de Janeiro

Perhaps it was the *Vestris* disaster of less than a week previous, perhaps it was the season of the year, perhaps it was evidence of lack of curiosity as to South America, but whatever was the reason, few tourists sailed for South America on November 17th. Most of the passengers were business men and their families going or returning to a post in South America, and the lounge room was as full of talk of commerce as the smoking room of a Pullman car. A stray diplomat or so—American, Japanese, Argentine—leavened the group. There, too, was an explorer who had endured the hardships of Brazilian jungles for a year and a half. His party had

You meet many men of pioneering blood, many men of buccaneering blood, men who have stalked death and disaster in the desert, who have captained ragged, barefoot armies under tropical suns, who have searched for treasure in jungle and on veldt, who have tracked danger for the fun of it. Some gain loot and fame; most can show as their reward only frayed cuffs, a few scars and a recurrent fever. When you talk to them, look into their eyes and see if you can read any trace of real regret except impatience to be off again on some new adventure. Only those of us who live orderly lives in overheated offices, cherish vain regrets.



Seacoast, on the Outskirts of Rio de Janeiro

Men may have found a more beautiful place to build their city than the harbor which is misnamed Rio de Janeiro, but I have not had the good fortune to see it. Mountainous piles of half-submerged rock jut out the harbor, green and brown hills hem the harbor, a green mountain rises out of the white city, and a blue ocean laps the city's doorstep. You will never find a cleaner city this side of the Netherlands, and nothing on earth is cleaner than a Dutch town.

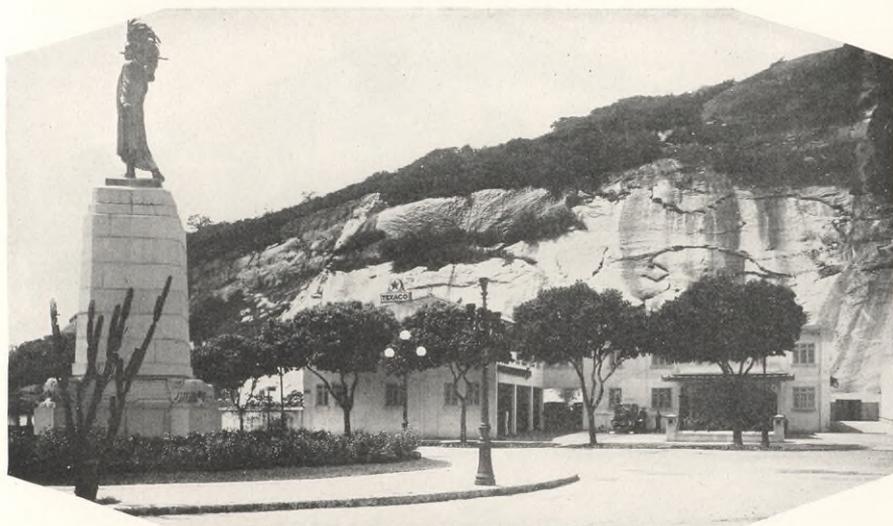
You saunter down Rio's black mosaic pavements—on the shady side of Rio streets, if you are wise. December and January days are too hot to do more than saunter. You pass loungers in sidewalk cafes dicing, interminably, for drinks. You peer into shops, by day triple walled only like a stage scene, by night guarded from marauders by iron shutters. Toward evening, crowds swarm the bathing beaches on the harbor front. After dark a dozen moving picture theatres blaze into light. There you may behold "The Aunt of Little Charles" (if I may translate literally), or some more recent American masterpiece, or, if your vision is good, your eyes strong and your patience infinite you may sit

through a continental film. There is said to be a high percentage of illiteracy in Brazil. This, you find at the movies, has its bright side: none of your neighbors spells aloud the captions. The movies, they say, are fostering trade. Purchasers are content no longer with what merchants choose to sell. They demand Hollywood's latest luxury. In parts of South America, the movies exert some influence on public opinion. At least, it is said that they are weakening the rigid convention which separates young people of different sexes—that now girls may aspire to matrimony even if they have reached eighteen.

Rio starts work at half past eight in the morning and takes no siesta. Once a day, sometimes twice a day, coffee is served in business establishments or else the employes adjourn to the nearest coffee house.

Twelve hours jolting by train brings you from Rio to Sao Paulo. This is the great commercial city of Brazil, the capital of its wealthiest state and center of the coffee industry. The city is situated on a high plateau a few hours' ride from the port of Santos. The climate of Sao Paulo is cooler and more invigorating than that of Rio.





Flamingo Garage and Service Station, Rio de Janeiro

This shows in the manner of the inhabitants and the aspect of the city as a whole. There is more activity and more bustle here than in Rio. Perhaps not all the credit is due to the atmosphere. Sao Paulo is full of immigrants and the children of immigrants—Italians chiefly—who left home to make their fortunes and who are bending every energy to accomplish their ambition. But there is still leisure: Look at the crowds waiting patiently in the Square for the announcement of the winning lottery number.

Lotteries are so numerous on the south-eastern coast of South America, that the visitor from the United States is positive they must be bootleg. It seems incredible that anything so popular could be fostered by the government. But then, there is no income tax in Argentina. In Buenos Aires, you can buy cigarettes which have a number for a name—a number which won a lottery and laid the foundation of the manufacturer's prosperity.

The visitor to Sao Paulo, if he is not fortunate enough to be invited to visit a neighboring coffee plantation, contents himself with visiting the snake farm and watching *pelota*.

The snake farm performs a double purpose. It teaches the people to distinguish between poisonous and non-poisonous varieties of the snakes and insects with which Brazil abounds, and it furnishes specifics against bites of the venomous. Dr. Amarada, the scientist in charge, has lent his services to the United States and has prepared a specific against the bites of our own poisonous snakes.

Pelota is played in great three-sided courts with a hard lively ball. This ball the players play off the far wall and catch and play again by means of a curved and narrow scoop into which they slip hand and wrist. It is a young man's game, requiring great agility and dexterity. Nightly this game is played by professionals. No admission is charged to the court. The profits come from the proceeds of gambling on the game or on the stroke.

From Rio to Santos is twelve hours by water. You follow a coast lined by green mountain ridges and wind up a tortuous river past an ancient fort. There on the flats is the city. Behind are mountains. From mountain top to sea shore is verdure tropically green. If you are
(Continued on page 32)



Façade of the New York
Stock Exchange



BROWN BROS.

SAFEGUARDING *the* CITIZENRY

An Ethical Code in Practice

by JASON WESTERFIELD

Director of Publicity, New York Stock Exchange

WE HAVE been hearing and reading a great deal about the marvels of the machine age in which we live. When we stop to consider them we are amazed at the number of things we enjoy that were not dreamed of by our grandfathers. His cumbersome high bicycle has been discarded in favor of the effortless motor car. The more or less musical notes of the wheezy harmonium are superseded by a wide variety of orchestral and concert programs picked up from the air by innumerable radio sets. Table luxuries of the rich a couple of generations ago are now commonplace in the homes of wage earners. Switching on an electric bulb or starting a washing machine or vacuum cleaner with a touch would have looked like black magic fifty years ago.

But of all the changes that have taken place perhaps the most remarkable and significant have occurred in the last ten years. Prior to the war relatively

few people ever thought of themselves as possible security owners. That was reserved for the comparatively few people who constituted the wealthy or "capitalistic" class. But now, thanks to the educational effect of Liberty Loan drives, and to the customer and employe ownership programs of many public utility and industrial corporations, and to the investable surpluses in the hands of many people, two out of every three families receive part of their income from investments.

The effect of this unparalleled public interest in investment is commented on by Paul Willard Garrett, financial editor of the New York Evening Post, who said "Through these instruments the public has taken possession of history's greatest bull market. . . . It is in the emotions of a rich people, exploring the mysteries of the market for the first time, that we must look to find the secret behind a romantic bull move-

ment.



JASON WESTERFIELD

The **TEXACO STAR**

ment in stocks that has shattered all world records."

This strange and newly-discovered investment machine has fascinating possibilities. Formerly regarded as a contraption designed for the exclusive use and enjoyment of the rich, the lords of the earth, it is now freely used by people of small means with a familiarity which has bred contempt for its inherent dangers. The confident novice striking out for himself on the highways of finance, especially the speculative section of the road, invites disaster no less than the inexperienced driver at the wheel of a high-powered motor car. In either case the safer course is to let some expert of proved ability and established reputation hold the wheel.

Two instances have come to my attention which illustrate the grief that is bound to overtake the inexperienced who fail to seek and heed the advice of their natural financial advisers. Natural advisers, by the way, are your bankers and brokers who have an established reputation in the community for sound judgment and fair dealing.

A Chicago club woman told me that ten years ago there were included among her friends some twelve widows of great wealth. Today all of them are penniless, each having been stripped of her fortune by financial swindlers.

Recently this headline appeared in a Chicago newspaper: "Thirteen Held for Swindling 100 Teachers Out of \$300,000." In other words, a gang of swindlers in Chicago wormed themselves into the confidence of 100 teachers and robbed them of \$3,000 each. You will appreciate the tragedy that lurks in this news item if you know the years of self-denial represented in \$3,000 caved from a teacher's salary.

Now it is not difficult to reconstruct the experience of every victim involved in these two instances, and, indeed, practically all others. Fraud investigators find the same story over and over again repeated with monotonous similarity, differing only in unimportant details.

In each case a suave but insistent stranger sought out his victim and, prompted solely by a presumably brotherly interest in her welfare, offered her an opportunity to invest in an enterprise which was destined to make Ford, Edison and Bell look unimportant indeed. The curtain was lifted on a fairyland of finance and she was graciously invited to enter. Hypnotized by a patter of promises, the swindler's victim handed over her fortune or her savings without the ghost of a chance of ever re-

covering a penny. How can such losses be avoided? By remembering that the *facts* about corporations whose securities are being offered to the public can be ascertained from some neighborhood bank or any one of the 43 Better Business Bureaus throughout the country. These Bureaus are organized and supported by reputable business and financial interests for the express purpose of giving the public reliable and disinterested investment information without cost.

But it should always be remembered that the ownership of property of whatever kind, no matter how expertly selected, always involves risk. Unfortunately, there is no rule for picking sure winners. There is, though, a reliable time-tested and simple rule for avoiding sure losers. Set the dog on the stranger with the loud voice and the brassy manner, who promises perfect safety and large profits. He is a thief and a much more dangerous one than the sneak who pilfers your silver chest.

Experience is too costly a lesson in finance, especially when we can profit by the teachings of a century and a quarter and thereby avoid serious losses. The constitution and rules, the practices, policies and established standards of business conduct of the New York Stock Exchange represent the accumulated wisdom of generations of financial experts in safeguarding the interests of investors.

The early records of the Exchange, dating back to the first appearance of the locomotive as a practical engine of transportation, reflect the determination of its officers to protect the public from dishonesty on the part of its members. Two fundamentals of a sound investment structure were recognized: Honest brokers and honest securities—each equally important to that smooth and confident flow of savings into industry so vital to progress and national growth.

The strict honesty of the membership in all dealings with the public has been achieved by the relentless enforcement of a code of business conduct which tolerates no fraud, misrepresentation or unethical practices. Any conduct by a member which is regarded by the Governing Committee as "inconsistent with just and equitable principles of trade" is severely and summarily dealt with.

Ranking in importance with the selection of a reliable broker is the necessity of complete and reliable information about the investment under consideration. Very few of the articles of daily

(Continued on page 31)



Trading Post,
New York Stock Exchange



Courtesy The Houston Chronicle

**OIL COMPANY OFFICIALS WHO ASSEMBLED
AT HOUSTON TO DISCUSS PLANS
FOR THE CONSERVATION OF PETROLEUM**



STANDING, left to right:

R. W. McIlvain, Pure Oil Co.; J. A. Brown, Standard Oil Co. of New Jersey; A. E. Watts, Sinclair Consolidated Oil Co., New York; Axtell J. Byles, Tidewater Associated Oil Co., New York; R. G. Stewart, Pan-American Petroleum & Transport Co., New York; Roy B. Jones, Panhandle Producing & Refining Co., Wichita Falls, Tex.; W. C. Franklin, Tidal Oil Co., Tulsa; B. H. Stephens, Magnolia Petroleum Co., Dallas, Tex.; W. S. Farish, Humble Oil & Refining Co., Houston; W. N. Davis, Phillips Petroleum Co., Bartlesville, Okla.; G. Legh-Jones, Shell Co. of California, San Francisco; L. P. St. Clair, Union Oil Co. of California, Los Angeles.

SITTING, left to right:

Richard Airey, Asiatic Petroleum Co., New York; E. J. Sadler, Creole Petroleum Co., New York; F. R. Coates, Henry L. Doherty & Co., New York; R. C. Holmes, The Texas Company, New York; E. B. Reeser, Barnsdall Oil Corp., Tulsa; K. R. Kingsbury, Standard Oil Co., of California, San Francisco; and W. R. Boyd, Jr., Executive Vice-President, American Petroleum Institute.

ANNUAL REPORT *of the* PRESIDENT *for* 1928

The text of the President's Annual Report to the Stockholders is reproduced in this issue, for the benefit of those readers of THE STAR who may not have received a copy of the original. Lack of space makes it necessary to omit the tables.

New York, March 15, 1929.

To the Stockholders:

THERE is presented herewith the report of The Texas Corporation and subsidiary companies for the fiscal year ended December 31, 1928, including a consolidated income account and balance sheet and such tables of operating statistics as are thought to be of particular interest. As the assets and liabilities of subsidiary companies are included in the balance sheet in their entirety, the interest of minority stockholders in subsidiary companies is shown as a liability.

Earnings available for dividends and surplus, after deducting all necessary reserves, were \$45,073,879.73, equal to \$5.56 per share on the average number of shares outstanding during the year, compared with \$20,029,405.62, or \$2.38 per share for 1927.

It being our practice to show crude and refined inventories at the lower of cost or market, it is worthy of mention that notwithstanding the lower prices of crude, no charges to earnings were necessary in 1928 for inventory adjustments because all products, carried at cost, were lower than market.

On January 19, 1928, in accordance with an agreement made with the officers of the California Petroleum Corporation, The Texas Corporation offered to exchange its shares for stock of the California Petroleum Corporation on the basis of one share of The Texas Corporation stock for each two shares of California Petroleum Corporation stock. The California Petroleum Corporation had outstanding 2,060,966 shares and by December 31, 1928, 2,048,212 shares, or 99.38 per cent, had been exchanged.

On October 16, 1928, stockholders of The Texas Corporation of record on November 23, 1928, were

offered additional stock of The Texas Corporation at \$40.00 per share in the proportion of one share of new stock for each six shares then held. This will require the issuance of 1,407,190 shares and will bring into the treasury \$56,287,600, providing funds for the liquidation of bank loans and for the large construction program under way.

Investment expenditures during the year were as follows:

Producing

Producing properties		
purchased	\$ 3,962,747.00	
Lands and leases		
purchased	10,707,486.20	
Drilling operations.....	5,538,098.61	
Sundry lease, well and plant equipment.....	2,852,911.84	
Casinghead gasoline and vacuum plants.....	987,311.28	
Miscellaneous	560,603.53	\$24,609,158.46

Refining

Pressure stilling equipment	\$ 863,559.87	
Other stilling equipment	788,988.73	
Tankage, lines and pumping equipment	1,315,820.97	
Other refinery equipment....	3,163,417.80	
New refineries.....	3,209,202.78	
Additional terminal facilities	1,762,904.53	
Miscellaneous	556,146.23	11,660,040.91

Domestic Sales

Land (station locations).....	\$ 1,566,522.34	
Additional station facilities	2,903,950.81	
Loaned equipment.....	1,324,564.24	
Automotive equipment.....	1,048,793.93	
Miscellaneous	195,159.98	7,038,991.30

Export Department and

<i>Subsidiaries</i>	3,295,651.52
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Tank Farms

Additional tankage, land and improvements	2,603,171.67
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Pipe Lines

Gathering, station and field lines	\$ 1,154,167.65	
Stations and station facilities	1,043,925.30	
Telegraph and telephone	149,533.19	
New main lines.....	7,074,830.13	
Other facilities, additions and improvements	1,864,115.17	11,286,571.44

Other Facilities

Marine Equipment.....	\$ 786,189.44	
Tank cars.....	567,701.24	
All other.....	542,403.77	1,896,294.45
Total		\$62,389,879.75

The California Petroleum Corporation brought us over 43,000 barrels daily gross crude production in the United States together with producing and prospective producing acreage aggregating 130,556 acres; 797 producing wells and 117 wells capable of production shut in; refineries at Los Angeles, Fillmore and Coalinga, California, and Sunburst, Montana, with a combined daily crude charging capacity of 42,000 barrels; four ocean terminals on the Pacific Coast; eleven casinghead gasoline plants; trunk pipe lines and gathering systems, totaling 222 miles; field and refinery tankage aggregating 12,111,000 barrels capacity; crude and refined oil inventories amounting to 6,638,262 barrels; 53 bulk distributing plants, 184 service stations and over 2,000 controlled dealer outlets; six ocean-going tankers with combined deadweight capacity of 71,108 tons.

The purchase from the Galena Signal Oil Company included a refinery of 20,000 barrels daily capacity at Houston, Texas, with 510 acres of land adjoining property owned by The Texas Company; tank farms at Houston and Mexia, Texas, with 3,190,000 barrels of steel tankage capacity; deep water terminals at Bayway, New Jersey, with tankage of 204,000 barrels capacity, and Wilmington, N. C., with tankage of 140,400 barrels capacity, the latter adjoining property owned by The Texas Company; bulk plants and service stations, including crude and refined inventories; also the capital stock of marketing subsidiaries in Ireland, France, Argentina and Brazil, including terminals at Dublin, Ireland, and Rouen, France, and inventories and established business of these foreign companies; marine equipment of the Galena Navigation Company, consisting of two ocean-going tankers and two smaller units.

The purchase from Landreth Production Company included production in Crane, Upton and Winkler Counties in West Texas of 9,926 barrels net per day; steel tankage capacity totaling

4,265,000 barrels; 2,864,455 barrels of crude oil; gathering lines, loading racks, etc.; developed and undeveloped leases, most of which are in proven productive area. As of December 31st, the net production from these properties was 12,214 barrels per day.

In December we contracted with The Louisiana Land and Exploration Company to develop over 1,800,000 acres of land lying across the southern portion of Louisiana. In exchange for the exclusive right to produce oil from these properties, we agreed under certain conditions to explore these areas further and to drill the domes already located, as well as to assume the bonded indebtedness of The Louisiana Land and Exploration Company, amounting to \$1,800,000, when due, of which \$800,000 will be recoverable out of one-half of the first royalty oil produced and profits of The Louisiana Land and Exploration Company.

PRODUCING OPERATIONS

UNITED STATES

Gross production from wells operated by the company during the year 1928, amounted to 44,269,970 barrels, an increase of 13,195,106 barrels over 1927. Of this the California Petroleum Corporation properties accounted for 16,621,786 barrels. Our interest in the oil produced plus oil produced by others for our account amounted to 33,594,965 barrels, compared with 22,569,278 for 1927.

Drilling operations were confined principally to necessary offset wells for the prevention of drainage and to protect expiring leases, but there was no suspension of activity in geological and geophysical exploration work and this will have an important bearing upon our future operations.

The total acreage held in the United States at the end of the year in fee lands and leaseholds was 5,475,893 acres. The increase of 2,747,910 acres was due largely to extensive acquisitions in the Gulf Coast areas of Texas and Louisiana and in California, Montana and Wyoming. Among these were eleven producing properties not included in the California Petroleum Corporation holdings.

MEXICO

In Mexico the production from wells operated by The Texas Company of Mexico, S. A., was 314,246 barrels as against 336,819 barrels in 1927.

VENEZUELA AND COLOMBIA

In Venezuela, through the contract which the California Petroleum Corporation (Virginia) had

made with the Pantepec Oil Company, we acquired a half interest in 565,728 acres of exploration concessions and 99,268 acres of exploitation concessions, in addition to the 106,367 acres already held under exploitation concessions through our subsidiary, Texas Petroleum Company.

A program of geological and geophysical surveys is now under way.

In Colombia, Texas Petroleum Company at the close of the year had options on 423,644 acres of fee lands.

PIPE LINES

Pipe line runs for the year were 51,912,709 barrels, an increase of 11,973,054 barrels compared with 1927. Deliveries to The Texas Company refineries of 47,861,703 barrels were greater than in any previous year, increasing 13,936,197 barrels over 1927. These figures do not include transfers of distillate from Dallas and Shreveport refineries to Port Arthur Works which amounted to 2,793,067 barrels in 1927 and 2,925,423 barrels in 1928.

The total oil transported for account of others than The Texas Company was 1,512,545 barrels, or approximately 2,000,000 less than in the previous year, but this did not result in idle line capacity because of the greater amount of oil handled for our own account.

During the year our pipe line system was extended to the Gray County section of the Panhandle of Texas with an eight inch line from Kingsmill to Vernon and Wichita Falls, Texas, connecting into both the North Texas and Central Texas lines. An additional eight inch line from Dallas to Corsicana and from Corsicana to San Augustine, connecting with our Louisiana line at the latter point, a total of 333 miles, increased the through capacity to Port Arthur by 10,000 barrels daily.

The construction of a twelve inch pipe line approximately 570 miles in length from Wink in the West Texas area to Houston and Port Arthur was begun. An extension of this line from Wink, Texas, to Jal, New Mexico, a distance of 23 miles was authorized later. This line will have a capacity of approximately 60,000 barrels of oil per day. To insure tonnage for the line we have contracted with others to transport oil to the Gulf Coast, which together with our own refinery requirements will insure profitable operation of the line.

In conjunction with the Empire Gas and Fuel Company we organized The Texas-Empire Pipe Line Company, participating equally in ownership, to construct a twelve inch pipe line from Oklahoma and Kansas to our Lockport, Illinois, refinery and

to a proposed refinery of the Empire Gas and Fuel Company at East Chicago, Illinois.

An eight inch branch line will extend to Stoy and Lawrenceville, Illinois. At Stoy the line connects with the Tide Water Pipe Line system.

REFINING

Crudes run in 1928 aggregated 55,083,523 barrels, an increase over 1927 of 16,616,576 barrels, or 43.2 per cent, and the department manufactured 25,204,020 barrels of gasoline, an increase over the previous year of 6,675,133 barrels or 36.0 per cent. The lubricating manufacture increased 308,179 barrels or 19.8 per cent.

The percentage of gasoline manufactured from domestic crude run at refineries, excluding those of the California company, showed further improvement in 1928, reaching a new average of 51.1 per cent, compared with 46.7 per cent in 1927, although 18.6 per cent of the crude was of the heavier grades with a smaller gasoline content.

During 1928 these refineries ran 4.2 per cent more crude and produced 16.2 per cent more gasoline and 19.4 per cent more lubricating oil than in 1927 and reduced the yield of fuel from 26.8 per cent in 1927 to 24.1 per cent in 1928.

In addition to the four refineries which we acquired with the California Petroleum Corporation and the Galena refinery at Houston, we purchased one at Amarillo, Texas. Sites were acquired and authority granted to construct plants at Cody, Wyoming, El Paso and San Antonio, Texas, and to increase the crude capacity of our Lockport, Illinois, refinery from six thousand to twelve thousand barrels per day. With the completion of these new installations our refineries will number 17 with a combined daily crude capacity of 204,250 barrels.

The Refining Department's efforts toward accident prevention continue to show encouraging results. In 1928 the lost time accident rate per 100 men employed was 5.2. This compares with 7.3 for 1927 and with the average of 13.3 for the previous five years.

SALES

Gasoline sales in 1928 were the greatest in the company's history, an increase over 1927 of 36.5 per cent. Lubricating oil sales in 1928 increased 7.6 per cent.

Excluding Pacific Coast territory and notwithstanding the large increase in gallonage handled in 1928, we decreased the number of automotive

delivery units operating in domestic territory by 9.2 per cent. The number of accidents involving the equipment decreased in greater proportion.

To focus public attention on our interest in aeronautics and to emphasize the suitability of our aviation gasoline and airplane motor oils for this exacting use, we placed in operation a tri-motored Ford cabin plane under the command of Captain Frank M. Hawks. During the year the plane visited 226 cities, flew 49,820 miles, and carried 6,460 passengers. In addition we operated a smaller plane principally in connection with pipe line construction. This latter plane was used to make aerial surveys and panoramic maps, thus facilitating the selection of the most suitable routes.

Texaco products used by these planes have proven most satisfactory.

During the year we extended our distribution into Canada, opening District Offices in Calgary and Toronto and building ten bulk stations in the Calgary district.

MARINE

The depression in tanker rates started in the latter part of 1927 continued throughout 1928 and reached the lowest level known in years.

There was little demand for dark oil ships; this resulted in laying up one *Texas* type dark oil tanker during the entire year. There was an increased demand by The Texas Company for the transportation of refined oils. To meet this situation two of the dark oil tankers were cleaned; also two of the *Texas* type ships were fitted up for carrying natural gasoline from Pacific to Atlantic ports.

Advantage was taken of the low freight rates to charter tankers for our export business whenever possible keeping our own ships employed in coast-wise trade.

The acquisition of the California Petroleum Corporation added six tankers and one barge to our marine equipment and the purchase from the Galena Navigation Company added two tankers and two smaller units.

During the year one small tanker of obsolete type and one steel harbor barge were sold.

Without any material change in the equipment of the seagoing vessels of the Atlantic fleet during 1928, there has been a continued improvement in operating performance. The sea consumption of fuel was materially reduced with a slight increase in the average speed. The ratio of ton miles to fuel consumption increased from 12,522 to 13,282 per barrel of fuel.

The TEXACO STAR

The year has been entirely free from major marine accidents and there have been fewer minor accidents than usual.

RAILWAY TRAFFIC

Results from operations of our tank car fleet show improvement over 1927. While the average number of cars in service increased 3.2 per cent the active car days operated increased by 6.0 per cent indicating better dispatch. There was also a large increase in total car mileage. The total number of tank cars in service on December 31, 1928, was 6,259 of which 3,795 were owned and 2,464 leased.

SULPHUR OPERATIONS

The results from sulphur operations at Hoskins Mound, Texas, under our contract with the Freeport Sulphur Company continued to improve. Conditions in sulphur markets did not change materially during the year. Sulphur production at Hoskins Mound in 1928 was 564,010 tons as compared with 498,035 tons in 1927, an increase of 13.25 per cent.

Our proportion of the profits for the year amounted to \$3,494,311.19 as compared with \$1,999,617.84 in 1927, an increase of 74.75 per cent. During 1928, in accordance with the terms of the contract, we received approximately 70 per cent of the net profits from operations as compared with 50 per cent heretofore.

DISTRIBUTION OF STOCK

On December 31, 1928, there were 50,520 stockholders as compared with 39,319 at the close of 1927, an increase of 11,201 due principally to the exchange of stock for California Petroleum Corporation shares.

The following table shows the distribution of the stock as of December 31, 1928:

	Number	Shares	Percentage of Stock
Brokers	521	1,743,331	20.65%
Men Stockholders	28,972	3,599,601	42.63%
Women Stockholders ..	19,275	1,794,644	21.26%
Corporations and Banks	604	636,921	7.54%
Fiduciaries and Estates	1,148	668,753	7.92%
	50,520	8,443,250	100.00%

The above does not include outstanding certificates of deposit covering 207 shares of California Petroleum Corporation stock which had not been exchanged for stock of The Texas Corporation.

EMPLOYEES' BENEFITS

The Texas Company was among the first to recognize the desirability of allotting stock to its employes. Allotments had been made from time to time prior to 1915 since which time annual allotments have been made. In 1919 a Plan for Employes, embodying both a Stock Investment and a Death and Disability section, was made effective.

Allotments of stock totaling 331,546 shares have been made under this and previous plans at prices which at dates of allotments resulted in an advantage or benefit to employes of over \$13,015,462, which represented the contribution of the Company.

On the basis of the market December 31, 1923, stock allotted employes had a value of \$52,633,167 in excess of the allotment price.

Under the Death and Disability section of the Plan, benefits are paid designated beneficiaries in the case of death and to employes or designated beneficiaries in the case of total and permanent disability.

Payments to employes or designated beneficiaries under this section of the Plan from its inception in 1919 to December 31, 1923 have aggregated \$1,334,860.94.

It is difficult to measure the benefits accruing to the Corporation because of these plans, but those responsible for results know that the effect has been good and that having these plans has been a large contributing factor to the success of the Corporation's activities.

Throughout the organization there is a fine spirit of interest and pride in the Corporation's progress and welfare and efforts are being continually exerted to improve the organization and operations. A marked evidence of improved efficiency is indicated by the fact that the average number of operating employes for the year 1923 (being all of the employes except those engaged in construction work) was only 7.2 per cent in excess of the average in 1920 and the increase in operating payrolls 20.0 per cent. During this eight year period Investment increased 147.4 per cent. Crude

Production 29.9 per cent, Pipe Line Runs 39.0 per cent, Refinery Crude Runs 75.3 per cent and Gasoline Manufactured 231.1 per cent.

* * *

At this writing there are several conditions vital to the welfare of the industry which need correction. There is and has been for some time an overproduction of crude oil, which is at present somewhat serious. The method of producing in many of the fields is on the whole costly and wasteful, and the multiplication of marketing facilities adds materially to the cost of distribution. There is a most unfortunate overproduction of fuel oil which is being forced onto the market at a great deal less than its economic value, even if compared with coal, of which there is an inexhaustible supply.

On the other hand, there is a notable and increasing spirit of co-operation between Federal and State authorities and the industry which gives promise of substantially improving conditions. This co-operative movement was initiated by the President of the United States, when, in December, 1924, he appointed four members of his cabinet as a Federal Oil Conservation Board. This Board is assisted by able men in the Government's service representing the technical departments and it has succeeded in stimulating an unusual spirit of co-operation between the Government and the industry, having for its object the protection of this irreplaceable natural resource and the ultimate national welfare.

Recently large and representative committees of the industry have been appointed by the American Petroleum Institute to study thoroughly the work that has heretofore been done, the situation in this country, the whole world situation and, in co-operation with Federal and State authorities, to formulate a definite program which it is hoped will result in a substantial conservation of our crude oil supply and give greater stability to the industry and protection to the consuming public.

By order of the Board of Directors,

R. C. HOLMES, President.

DUNGANNON CAPTURES PRIZE

Award Goes to Vessel After Spirited Competition

THE following table is a recapitulation of the results of the competition entered into by the ships of The Texas Company and the Texas Steamship Company (New York) during the year 1928.

The plan under which this competition is held provides for a standard for each ship. This standard is based on the ship's past performance and the average of all the ships of her class.

A certain number of points is allotted to each item and the total of these points is 1000. As shown by the table, it is possible for a ship to exceed her standard and thereby acquire additional points.

All the ships which succeed in equaling or bettering their standards participate in the cash award, a certain sum of money being set aside each year for this purpose. The successful ships participate in the cash award pro rata based on their standing in the competition.

It will be noted that out of 18 ships competing during 1928, eight equalled or bettered their standards, and each one of these ships has been awarded

a certain amount of cash. The licensed personnel, including the steward, of the ships sharing in the award receive prorated amounts based on their pay schedules. In addition to this a certain amount is set aside for the unlicensed personnel. Ships' officers are requested to recommend the men who they consider have contributed most to the ship's success, and these men are awarded a share in this allotment.

An examination of the list of successful ships shows that every class is represented. The results for 1928 are gratifying, showing that each ship had an equal chance to share in the award. Success or failure depends almost entirely on the crews' efforts. It is hoped that the results as shown will have a stimulating effect and encourage every man to renewed efforts to surpass all previous performances.

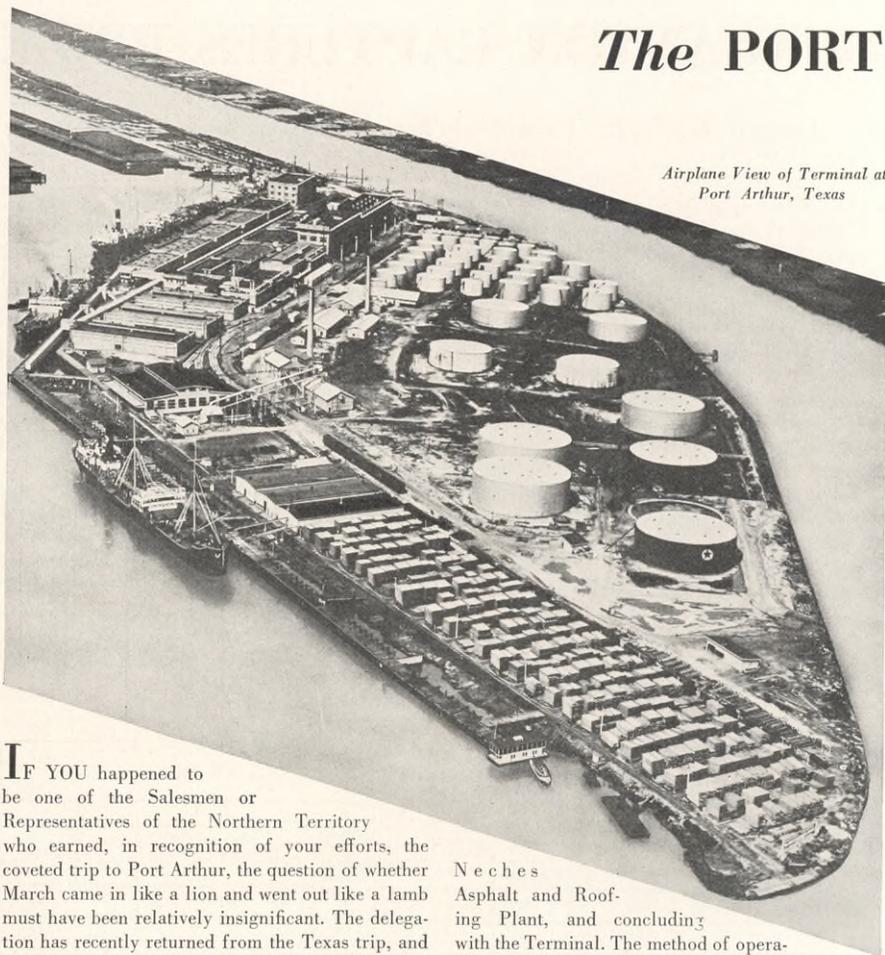
The ships of The Texas Steamship Company (California) and those purchased from the Galena Navigation Company were not acquired in time to enter the 1928 competition, but these ships are now competing for the 1929 award.

RECAPITULATION OF RESULTS — 1928 CASH AWARD

ITEM NO.	1	2	3	4	5	6	7	8	9	10	-
VESSEL	FUEL & SPEED	NAVIGATION & INCIDENT	MACH. & BOILER REPAIRS	DEPART. MENTAL STORES	HULL REPAIRS	REPAIRS BY CREW & REPAIR RECORD	APPEARANCE	CARGO HANDLING	FOOD PER DAY PER MAN	FEED WATER	TOTAL
STANDARD POINTS	400	100	100	100	80	70	70	40	30	10	1000
1 DUNGANNON	439	100	132	103	113	53	67	35	31	11	1030
2 NEW YORK	445	100	104	98	91	50	63	37	30	11	1029
3 NEW JERSEY	450	100	84	89	92	61	66	37	30	11	1020
4 ALABAMA	395	100	100	107	121	45	64	35	33	11	1011
5 REAPER	415	100	108	93	94	55	66	34	30	11	1006
6 SOLITAIRE	379	85	135	30	124	49	66	36	32	10	1006
7 DERYLINE	416	97	96	115	80	55	64	40	28	10	1001
8 DIRIGO	409	96	136	88	70	49	65	37	33	9	1000
9 HARVESTER	410	100	108	79	69	50	65	40	34	10	965
10 TEXAS	424	100	104	96	71	63	63	0	30	11	962
11 LOUISIANA	400	95	52	104	92	52	64	40	32	4	935
12 OCCIDENTAL	424	100	61	67	52	39	60	34	34	9	900
13 LIGHTHOUSE	406	100	75	70	96	55	67	30	32	10	881
14 PENNSYLVANIA	416	95	52	85	21	58	67	40	33	9	876
15 ROANOKE	399	100	75	82	0	59	64	30	32	9	850
16 ARYAN	419	80	43	51	9	70	62	37	32	7	810
17 SHENANDOAH	434	100	0	69	0	55	65	37	31	10	801
18 ILLINOIS	401	95	8	57	0	52	66	40	31	11	761
VIRGINIA	NON-PARTICIPANT 1/2 LAID UP ENTIRE YEAR 1928										

The PORT

*Airplane View of Terminal at
Port Arthur, Texas*



IF YOU happened to be one of the Salesmen or Representatives of the Northern Territory who earned, in recognition of your efforts, the coveted trip to Port Arthur, the question of whether March came in like a lion and went out like a lamb must have been relatively insignificant. The delegation has recently returned from the Texas trip, and in Texas, weather is among those things that really do not matter.

The party is profuse in its praise of the hospitality of the members of the organization in the Lone Star state and profoundly impressed by the spectacle of the Port Arthur Works and its environs. They saw the entire show, from start to finish, and are unanimously of opinion that it was as fine a combination of the virtues of business and pleasure as they have ever witnessed.

Refinery executives met the visitors when they arrived at Port Arthur, and after they had been established in comfortable quarters and had obtained a superficial glimpse of things, they started off with a tour of the Port Arthur Refinery, following it with the Case and Package Plant, the Port

Neches

Asphalt and Roofing Plant, and concluding with the Terminal. The method of operation was unfolded to them by a battery of technicians, who joined the party at the outset and who explained every detail as they went along. Salesmen and Representatives returned home with an extremely vivid picture of the industry.

The party divided its time equally between absorbing knowledge and absorbing fresh air and sunshine. When the tour of the plants and study of the methods of operation were completed, the party adjourned to Beaumont, the original home of the Company, now a thriving city. The visit likewise included a trip to Houston, where members of the Company joined them in a tour of the oil fields in the city's outskirts.

The visitors were particularly lavish in their praise of the Texas camaraderie; a genial good-

ARTHUR TRIP—An Award of Merit

fellowship encountered everywhere in the state. Nothing was too good for the visitors, and they found all latchstrings out to them.

Selections for the Port Arthur trip are based on merit, and Representatives and Salesmen are named annually from each District in the Northern Territory. Choices are made by the District Manager in each case after the close of the year's business. The award, in the Representatives Division, goes to

"the Zone in each District showing the lowest gallonage cost for the year, or the Zone showing

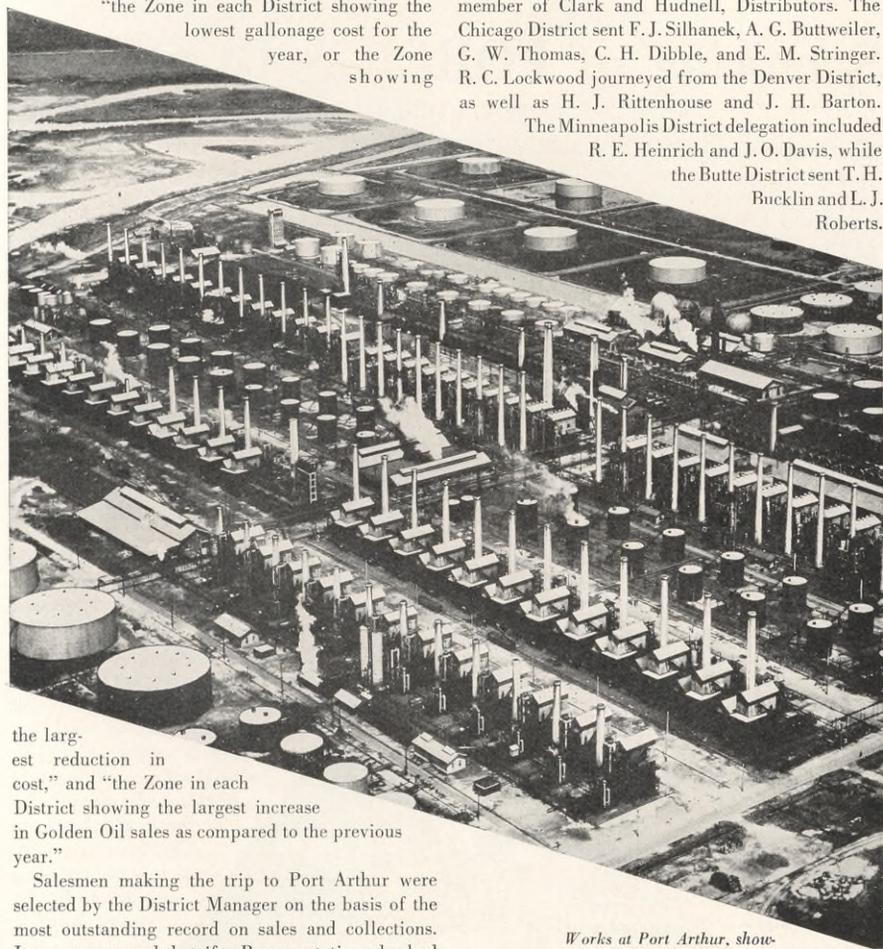
Agent in his own Zone to make the trip for him.

Seven districts were included in the selections: In the Boston District were J. J. Curley, J. W. Sullivan, P. V. Sullivan and C. C. Wright. The New York District was represented by B. J. Schwalbach, H. B. Gould, F. T. Spencer, W. L. Nash and R. F. Height.

From the Norfolk District there were J. H. Watson, M. L. Clark, W. F. Huber, G. J. Miller, and one member of Clark and Hudnell, Distributors. The Chicago District sent F. J. Silhanek, A. G. Buttweiler, G. W. Thomas, C. H. Dibble, and E. M. Stringer. R. C. Lockwood journeyed from the Denver District, as well as H. J. Rittenhouse and J. H. Barton.

The Minneapolis District delegation included

R. E. Heinrich and J. O. Davis, while the Butte District sent T. H. Bucklin and L. J. Roberts.



the largest reduction in cost," and "the Zone in each District showing the largest increase in Golden Oil sales as compared to the previous year."

Salesmen making the trip to Port Arthur were selected by the District Manager on the basis of the most outstanding record on sales and collections. It was announced that if a Representative who had once made the Port Arthur trip were named again, he would be permitted to choose an Operating

Works at Port Arthur, showing Holmes-Manley Stills



Rio de Janeiro Terminal of The Texas Company

Speaking of FOREIGN BUSINESS

by T. RIEBER

THE appearance in 1901 of Spindletop, "all dressed up with no place to go," gave occasion to a small group of men organizing what on April 7, 1902, took final shape in the form of The Texas Company, for the purpose, primarily, of storing, transporting and trading in crude oil.

The founders of The Texas Company were men of indomitable courage, ambition and sagacity of mind, and had early vision of their creation embracing petroleum activities in all of its phases. Finding temporary outlet through the refineries of the Standard Oil group in New York Harbor and on the Delaware River, and through the introduction of crude oil in its raw state, as fuel, to the sugar refiners on the Mississippi River, a refinery site comprising 90 acres (now more than 5,000) was purchased at Port Arthur, Texas, early in 1902, and during the last half of the same year the first stills were constructed and put into operation under the direction of The Texas Company's present chief executive.

Illuminating and lubricating oils were, at the time, the refined products for which existed the profitable demand and Spindletop Crude did not lend itself too readily to refining under the then known methods. To the management of The Texas Company, however, then as now, obstacles and problems were considered merely as so much detail, and manufac-

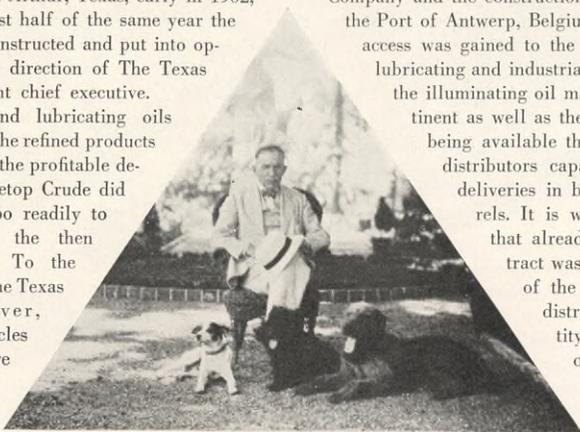
turing difficulties were being overcome and refining facilities increased while markets were being investigated and developed.

In less than a year after its organization, The Texas Company, through the Producers Oil Company, found itself in the position of practically sole owner of the Sour Lake oil field, in Texas, where after expansion of facilities, acquisition of properties and equipment, and development of markets followed one another with kaleidoscopic rapidity. For the purpose of this article, suffice it to say that in 1905, simultaneously with its invasion of the Eastern markets by the construction of an ocean terminal on the Delaware River at Marcus Hook, Pa., The Texas Company made its European debut by the organization of the Continental Petroleum Company and the construction of a terminal in

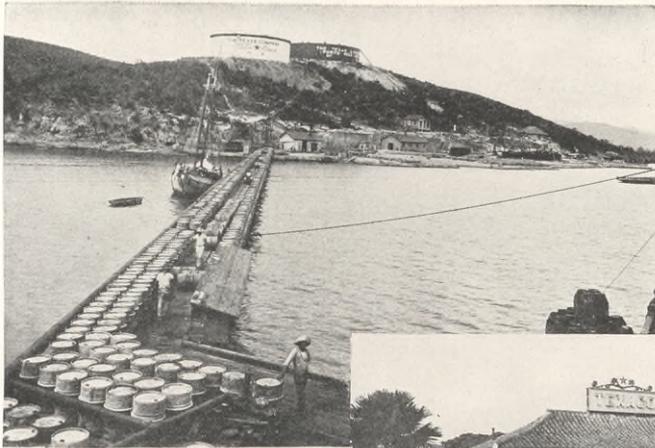
the Port of Antwerp, Belgium, through which access was gained to the large Continental lubricating and industrial fuel oil markets,

the illuminating oil markets of the Continent as well as the United Kingdom being available through large local distributors capable of accepting deliveries in bulk or wood barrels. It is worthy of mention

that already in 1906 a contract was effected with one of the largest European distributors for a quantity of illuminating oil in bulk delivered over a period of years, involving several million



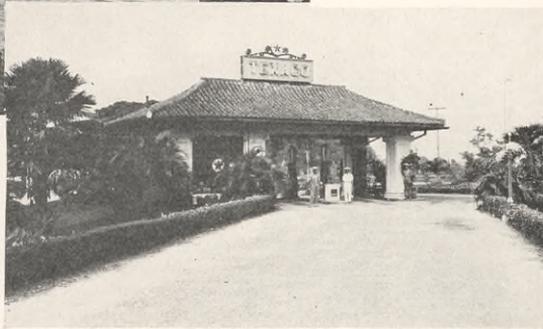
SEÑOR DON FELIX DE TARANCO, OF TARANCO AND COMPANY



Terminal of The Texas Company, (Porto Rico) at Guayanilla



Company Filling Station in Manila, Philippine Islands



dollars in value. In the meantime, additional fields were being discovered in the Gulf Coast country—Batson, Saratoga, Jennings, Caddo, etc.—The Texas Company playing its part in all of them. In Oklahoma the Glenn Pool was making its appearance and with that in 1906 the construction by The Texas Company of the first pipe-line from the Mid-continent to the Gulf, all of which meant more oil, requiring more refining capacity and more outlets.

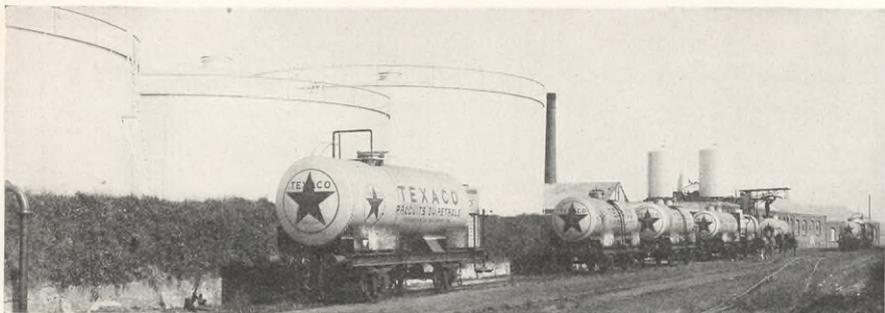
Kerosene continued to be the cream of the crude, the one product that was marketable in unlimited quantity at a fair price. South America, Africa, Australia, New Zealand and the Far East were the more lucrative kerosene markets, but local conditions required distribution in tin cans packed in cases. The Texas Company, however, was searching for the most profitable outlets and the result was the construction in 1909 of the first $\frac{3}{8}$ gallon can unit at Port Arthur.

The Company's foreign business was now assuming proportions which, on July 1, 1910, caused the organization of an Export Department through which The Texas Company immediately made its entry as a contender in the world's petroleum markets. For the purpose of supervision, the foreign fields were divided into territories and districts, distribution being effected through the establishment of agencies. Markets were rapidly developed, not only for kerosenes, but for lubricants and gasolines in limited quantities.

The quality of the products, sturdiness and attractive appearance of the packages, made the Red

Star and Green T trade mark a popular one wherever it was introduced, and partially to meet the insatiable demand, the Port Arthur canning plant was increased by replacements and additions until in 1921 it attained its present distinction of being the largest and most complete installation of its kind in the world. The Crystalite, Familylite, Light of the Age, Hercules, Torre, Estrella, Carabao, Yin Foo and other brands had become household names in the various territories served, whereas the names of Mignaquy & Company and Pinasco & Company in the Argentine, Taranco & Company in Uruguay, Compagnie Lyonnaise de Madagascar in Madagascar, and Compagnie Française de l'Afrique Occidentale in West Africa had become synonymous with that of The Texas Company.

C. A. Duryea invented and operated the first motor car in 1892, Henry Ford built his first "flivver" in 1903, and while the first American motor truck was introduced in 1904, the world's gasoline requirements continued comparatively small for many years thereafter, a limited amount of the lighter grades (known as stove gasolines) being used for cooking and heating purposes, and fair quantities of the heavier grades (naphthas) finding their way to the paint and varnish manufacturers



Section of Terminal at Antwerp, Belgium

as thinners and also as turpentine substitutes.

The management of The Texas Company, however, was fully anticipating the ultimate effect of the gasoline motor on the petroleum industry and when finally, during the World War period, gasoline replaced kerosene as the major petroleum product, The Texas Company, through its crude resources, transportation, manufacturing and world-wide distributing facilities, was able to render the Allied cause services which, at the cessation of hostilities, became a matter of official record and recognition.

Ten years ago motor transportation had already become a component part of American daily life, the United States having more motor vehicles in use at that time than the remainder of the entire world has today, and facilities for the proper and convenient serving of the American motor trade's petroleum requirements have long been provided. With increasing rapidity motor vehicles in all their

varieties are invading the world at large, even in its remotest places, and the petroleum industry, in consequence, is being called upon not only for the necessary motor fuels and lubricants but, for their equal importance, the facilities and equipment required for satisfactory distribution.

The Texas Company is keeping faith with its trade abroad, as at home. Old facilities are being reconstructed and enlarged and new ones are being added—ocean bulk terminals, interior bulk stations, service stations, floating, rolling and motor equipment, etc., all on a scale unparalleled in the Company's previous foreign activities; and in 73 foreign countries, through 13 subsidiaries, 5 major districts

(Continued on page 32)

Filling Station on Place de L'ysse, Brussels, Belgium



The CONSERVATION MOVEMENT

Plan to Curb Production as Safeguard to Petroleum Industry's Future

THE Board of Directors of the American Petroleum Institute at a meeting in New York on March 27th unanimously accepted the report of the General Committee on Conservation. Acceptance of this report and the passage of resolutions, however, does not accomplish conservation. Conservation will only actually be accomplished by painstaking effort steadily and persistently carried on by a great many people within the industry. This movement had its very definite origin in the action of the President of the United States who, in December, 1924, created the Federal Oil Conservation Board consisting of four members of his Cabinet. That Board has steadily urged the industry to formulate a program of real conservation and to cooperate with the Board in making it effective. The public authorities of the great oil-producing states have shown an entire willingness to participate in the movement and offer assistance.

If the Governmental agencies referred to approve the proposed action by the industry, it affords a beginning of real conservation, and is merely a step, but it does represent genuine progress. The report of the Committee as approved by the Board of Directors of the American Petroleum Institute is as follows:

March 27, 1929

Mr. E. B. Reeser, President,
American Petroleum Institute,
250 Park Avenue,
New York, N. Y.

Dear Mr. Reeser:

As instructed in your letter of February 20th, the committees on Crude Oil Production and Conservation, consisting of four regional committees and a general committee, the latter consisting of three members from each regional committee, held their meetings and the general committee at its meeting in Houston on March 15, after consideration of the regional committees' recommendations, submits the following for the information and consideration of the Board of Directors of the Institute:

First: Study and consideration of this subject, covering the Western Hemisphere, have been given by a large and representative portion of the producing interests. It is estimated that the 30 members

of the regional committees, alone, represent directly 72.5% of the domestic production and 38% of the foreign production of the Western Hemisphere.

Second: The years of the largest production with greatest excess over market requirements are the years in which the greatest waste, both actual and economic, occur.

Third: It is recognized that the important and most essential products of crude petroleum are gasoline, lubricating oil and kerosene, and while 912,000,000 barrels were consumed in refinery running in the United States during the year 1928 to produce the gasoline requirements on the basis of the average yield of 41.3% of gasoline, it is known that certain units more fully equipped with cracking facilities and running a fairly representative average of the American crudes have produced materially larger yields of these required products, and it is estimated that a yield of at least 60% of gasoline could be produced with present known and proven processes and in all probability at the same time produce the requirements of lubricating and other essential products, thereby making it possible to produce the 1928 market requirements from 628,638,000 barrels of crude.

Fourth: The difficulties of immediately accomplishing all that is desired in the way of conservation were so apparent that it was considered we would be making a very creditable undertaking if we could take care of market requirements in 1929 from the amount of crude produced in 1928. It was, therefore, unanimously resolved by your committee, that,

"Whereas, the Federal Oil Conservation Board has repeatedly called the attention of the country to the overproduction of crude oil and the consequent waste of this irreplaceable national resource, and has repeatedly invited the industry to cooperate with governmental agencies in improving the situation and has said, 'the complete organization of cooperative effort is recommended, with simple but effective working units that will insure full contact of the industry with both State and Federal Government and continuous contact of all operators in an oil field'; and

"Whereas, the State authorities of the principal oil producing States have exhibited a keen interest in the subject and a desire to have the cooperation of the industry in formulating and carrying on an effective program;

"Therefore, be it resolved that the production of the four regional areas represented by the Committees will be sufficient for 1929 to meet the consuming requirements of the territories which they supply if the 1928 basis of production be adopted.

"Be it further resolved that beginning April 1, 1929, the average production of the four regions on a daily basis should not exceed the average daily production during the year 1928, and that each regional committee be requested to meet, either through its elective representatives on the General Committee, or as a whole, with the General Committee in New York, at the Institute, on the morning of the 27th at 9:00 o'clock to report to the General Committee whether or not the production in the respective regions can be brought to the 1928 average for that region.

"Be it further resolved, that in the event of favorable reports and the approval of the Institute, that the action be at once submitted to the Federal Oil Conservation Board, for its approval, and if approved by the Federal Oil Conservation Board, that the State authorities in the principal oil producing States be at once advised of the proposed action which shall become effective as the policy and program of the Institute if approved by such State authorities."

Fifth: We are in accord with the suggestion that the maximum production fixed for the year 1929 would probably be sufficiently high for possibly one, two, three or more years, through such gradual improvement in refinery processing as may produce the requirements of gasoline and other essential petroleum products; and that it is desirable that this figure for maximum crude production should not be increased until the maximum yield of these products, on the whole, has been accomplished.

Sixth: That so long as serious over-production exists in the world, a permanent organization within the American Petroleum Institute should be formed for study of the situation, not only in the United States, but throughout the world. Such an organization would work closely with the Department of Commerce and the Federal Oil Conservation Board for the freest possible dissemination of knowledge of conditions in the separate regions and in the aggregate.

Seventh: That the present committees of the American Petroleum Institute, or new committees working under the general plan of the present committees, together with such sub-committees as the Board may consider desirable, take up for further study and action some of the topics suggested in the general chairman's address on March 15th, and we make the following suggested outline in this connection:

(1) GENERAL COMMITTEE, to

- (a) Ascertain whether Federal aid or legislation is now considered necessary, and if so, the extent and nature of such aid or legislation as would be needed to sustain control of production as well as to give the necessary

support, if such authority is needed, to cooperate with other nations in the world wide conservation and orderly development of petroleum deposits; and to deal, to whatever extent is necessary and desirable, and permissible, with the world situation, having in mind that this is possibly essential to the success of any real, effective, conservation plan.

- (b) Determine whether we, as an American Nation, should find it desirable to encourage the same degree of restriction and conservation on the part of foreign fields as of our own, or whether it would be in our interest to assume the larger share of restriction here at this time in order to prolong the life of our own fields or deposits.
- (c) Consider what may, and should be, the attitude of countries which are producing petroleum as differing from those countries which do not produce. Should not the countries without production have quite as much, if not more, interest in the conservation and control of production as those countries which are exhausting their known supplies? Take such action as may be necessary to create accurate representations and importance of the plan which we are undertaking.
- (d) Determine more accurately the extent to which crude production, as a whole, may possibly be reduced to bring about a satisfactory reduction in stocks and constitute a more substantial conservation.
- (e) Determine what can be properly undertaken to encourage a check on wasteful consumption of petroleum products as a part of the conservation activities.
- (f) Assume the responsibility for maintaining, with such national and state aid as can be secured, the orderly control of production and making of such adjustments from time to time as are necessary to make the plan workable and effect the purpose of same.

(2) REGIONAL COMMITTEES, together with such sub-divisions, or State committees as the Board or regional committees may find desirable to appoint, should consider the following:

- (a) The possibilities of such control with such cooperation as is possible within the industry today.
- (b) Whether state legislation is necessary, and if so, the precise nature of such required legislation in each of the states, particularly where the overproduction situation exists and where it may most likely be a problem in the future.
- (c) To what extent the regulation and control of gas production will contribute to the plan and be an aid to the permanent success thereof, and take action to bring about an acceptable and satisfactory solution of this feature of petroleum production.
- (d) To what extent more uniform leasing contracts and provision for zoning, or unit operation, either voluntarily or by law, would be an aid, and try to agree upon a plan for such zoning as is essential in preventing extravagance and waste.
- (e) Determine what can be saved to the industry and to the consumer by a more orderly and more economic system of producing oil and of such drilling only in new developments as is necessary to clearly define the field and that will produce the oil under control, and compare this with the cost of waste of recoverable oil when there is no control, or when the oil is taken out rapidly, as in many instances, and water encroachments and gas depletion take place prematurely.

(A study and comparison of the Mexia, Wortham and Powell developments in Central Texas, and Salt Creek, Wyoming, and Cabin Creek, West Virginia, is of interest in this connection.)

- (f) Ascertain the cost to the industry of storing and carrying such excess stocks as will probably accumulate if production continues at the present rate; and what can be saved if substantial underground deposits can be ascertained and maintained.
- (g) Determine what will probably be the effect of geophysical instruments and other scientific aids in locating oil deposits, and the desirability of encouraging such activities and discoveries with a view of having more accurate knowledge of deposits, and the effect of such determinations in giving stability to the industry. The effect of such discoveries with or without control of production. Also the advantages of such determinations as against the difficulty, expense and delay of development in the event known supplies should decline below the actual minimum market requirements.
- (h) Determine the cost to the industry of the present fuel oil situation as against the markets and conditions applying when fuel oil prices were such that coal was on a competitive basis for steamship and shore installation, and ascertain what effect and advantages might be derived by the coal industry and possibly railroads and other affected interests if we were to reduce fuel oil manufacture by, say, 50% under the 1928 production.

- (i) Determine as accurately as possible the probable recoverable oil from present known or producing fields of the world, as well as the opinion of those who are considered best qualified to determine or estimate the possible amount of oil that is yet undiscovered but that may possibly be made available in the future.

(It is suggested that the Federal Oil Conservation Board might be asked to direct this study through the United States Geological Survey, the Bureau of Mines, or other government agencies, with such aid as the Petroleum Industry can give.)

- (3) That the chairman of these regional committees keep the chairmen of the other regional committees and the chairman of the general committee currently advised of work and developments of all these committees in order that all regions may have the benefit of the study and conclusions and activities of other regions.

Very truly yours,

(Signed) R. C. HOLMES, *Chairman*

SAFEGUARDING *the* CITIZENRY

(Continued from page 15)

purchase are bought sight-unseen. Practically everything is first subject to personal inspection. We examine before buying. The best investment counsel is to the same effect. There can be no exception to the reiterated advice from the soundest financial advisers: "Before you invest, investigate."

Many years ago, before the investment and financial machinery had evolved into definite and integrated form, the New York Stock Exchange used all of its influence in favor of corporate publicity on the theory that the public should not be invited or expected to buy securities if essential information were not obtainable. The position of the Exchange is the same as that taken by the Government which requires food and drug manufacturers to state honestly on the package or label the in-

gredients and their proportions. No attempt is made to prescribe how much the people should buy or pay, but they must be in a position to know what they are buying.

The wisdom of the adoption of periodic questionnaires was demonstrated shortly after its inauguration. The first questionnaires discovered a few cases which led to official declarations of insolvency. In other cases dangerous tendencies were brought to light and quickly corrected by the firms themselves. The percentage of failures before and after the adoption of the questionnaire conclusively demonstrate its effectiveness and gives reason to hope that, with it ultimately perfected, years without failures will become the rule rather than the exception.

PIONEERING *in* PETROLEUM

(Continued from page 9)

A Titusville friend of Drake's met him soon after in New York, ascertained the painful extent to which the Drakes had been smitten by poverty, and immediately greased the wheels in Titusville for the collection of a Drake fund. The response was overwhelming; later, the Legislature granted him and his wife an annuity. But the glory that was Drake's had faded, and he died in the winter of 1831, completely and sublimely resigned to his fate.

The Drake impetus continued to be felt, wells gushed obligingly elsewhere, and Titusville emerged

a prosperous community, something it has remained to this day.

Thus the industry began; it was destined to level, for a time, social and economic stations, making wealthy men sometimes wealthier, poor men frequently poorer, and all men excited. This new, immensely potential industry attracted prince and pauper alike; hugged this one to its bosom, and cast that one unfeelingly aside.

The curtain had risen on one of the greatest shows on earth, and it has yet to come down.

THE ANNUAL MEETING

AT THE Annual Meeting of Stockholders of The Texas Corporation, held in New York City on March 26, 1929, the following were elected directors: George G. Allen, C. B. Ames, T. J. Donoghue, William A. Fisher, J. N. Hill, R. C. Holmes, Henry G. Lapham, John H. Lapham, E. C. Lufkin, T. Rieber, Albert Rockwell, W. S. S. Rodgers and Eugene M. Stevens. The meeting also voted to amend the By-Laws to provide for the holding of the Annual Meeting of Stockholders on the fourth Tuesday in April of each year instead of the third Tuesday in March of each year.

At the Directors' Meeting held immediately after the adjournment of the stockholders' meeting, the following were elected to the offices designated: R. C. Holmes, President; C. B. Ames, Vice-President; T. J. Donoghue, Vice-President; F. T. Manley, Vice-President; G. L. Noble, Vice-President; R. Ogarrio, Vice-President; T. Rieber, Vice-President; W. S. S. Rodgers, Vice-President; Harry T. Klein, General Counsel; E. M. Crone, Secretary; C. E. Woodbridge, Treasurer; and Ira McFarland, Comptroller.

F. L. Hanks was elected Vice-President with authority to sign stock certificates as such Vice-President for and on behalf of the Corporation. A. A. Sands and H. E. Lapp were designated as Transfer Agents.

The Annual Meeting of Stockholders and a Directors' Meeting of The Texas Company were also held. The same directors and officers were elected as for The Texas Corporation, except A. A. Sands and H. E. Lapp, Transfer Agents. The By-Laws of The Texas Company were also amended so that the Annual Meeting of Stockholders will be on the same date as that of The Texas Corporation.

PACKAGE PERSONALITY

(Continued from page 4)

made from carefully selected, thoroughly dried and finished lumber, free from knots and other imperfections. The yearly consumption of lumber going into cases is approximately 52,000,000 board feet, and in assembling these cases, 500,000,000 nails are required.

The present day tin package, as used in the affairs of *Texaco* products, is a far cry back to the modest French soldier who first had the idea of a tin can as a container for food, so that military bodies might not be dependent upon the season's crops exclusively. He received the sum of fifty dollars for his invention.

FOREIGN BUSINESS

(Continued from page 28)

and 50 agencies, more than 3,500 employees are today diligently carrying on the numerous duties connected with the receiving, storing, distributing and marketing of a full line of *Texaco* products. The Export Department takes pride in the knowledge that The Texas Company's foreign sales of refined products in 1928 were moved through the Company's facilities exclusively, and that in quantity they equalled the Company's entire refined oil output of 12 years ago.

Acquisition of the California Petroleum Corporation about a year ago has further strengthened The Texas Company's foreign position, and true to tradition, old markets are being extended and new ones are being striven for. When, on July 7, 1928, the American petroleum consumer was advised that *Texaco* products were now available in every state within the United States, the query was raised: "Will *Texaco* products ever be available in all parts of the world?" Why not? Capable, experienced men, long in the services of the Export Department, continuously being reinforced by energetic, well-trained and courageous young men from other departments, are speeding the day.

SOUTH AMERICA FIRST

(Continued from page 13)

commercially minded, the method employed at the docks of loading coffee will interest you. It is well nigh perfect. If you are not commercially minded, you may enjoy the landscape, gamble at the casino or bathe in the ocean. The city itself has little charm.

The homeward trip is pleasantly lazy. You put in to Bahia harbor, a fine stretch of water girt with hills. Black, shining negroes put out in boats with cargoes of fruit, parrots, monkeys and skins of jaguar or other forest cat. You lean over the ship rail and chaffer in the burning sun until you agree on a price one-half of what is asked and twice what the seller expects.

Off you make through the summer rains. A day or two and the swimming tank is removed from the deck. It is too cold now to bathe out of doors so the passengers have no complaint and the chief engineer, who has been cursing the extra burden, is well pleased. Hats, vests, overcoats appear.

* * * * * You slip up the river through the evening mist. This distorts and makes fantastic the shapes lining the banks. You move past phantoms moored at shadowy warehouses, past tall buildings spangled with innumerable lights.

You are home,



No extra price

Everywhere . . . on highways of every State, stands the Texaco pump, a symbol of high test quality. Motorists who have regularly used "premium" motor fuels, who willingly paid 3¢ to 5¢ extra, now prefer the *new and better* Texaco Gasoline. For Texaco stands *every* test. It forms a dry gas. It starts easier — it accelerates quicker and, mile after mile, it delivers a full measure of honest power. Try Texaco today. Learn the real meaning of "high test."

THE TEXAS COMPANY, TEXACO PETROLEUM PRODUCTS

The *NEW* and *BETTER*
TEXACO
GASOLINE



TYPE OF NEW COLONIAL SERVICE STATION AT WILLIAMSBURG, VIRGINIA, ERECTED BY THE TEXAS COMPANY AS ITS CONTRIBUTION TOWARD THE CIVIC DRIVE TO RESTORE THE ATMOSPHERE OF COLONIAL DAYS