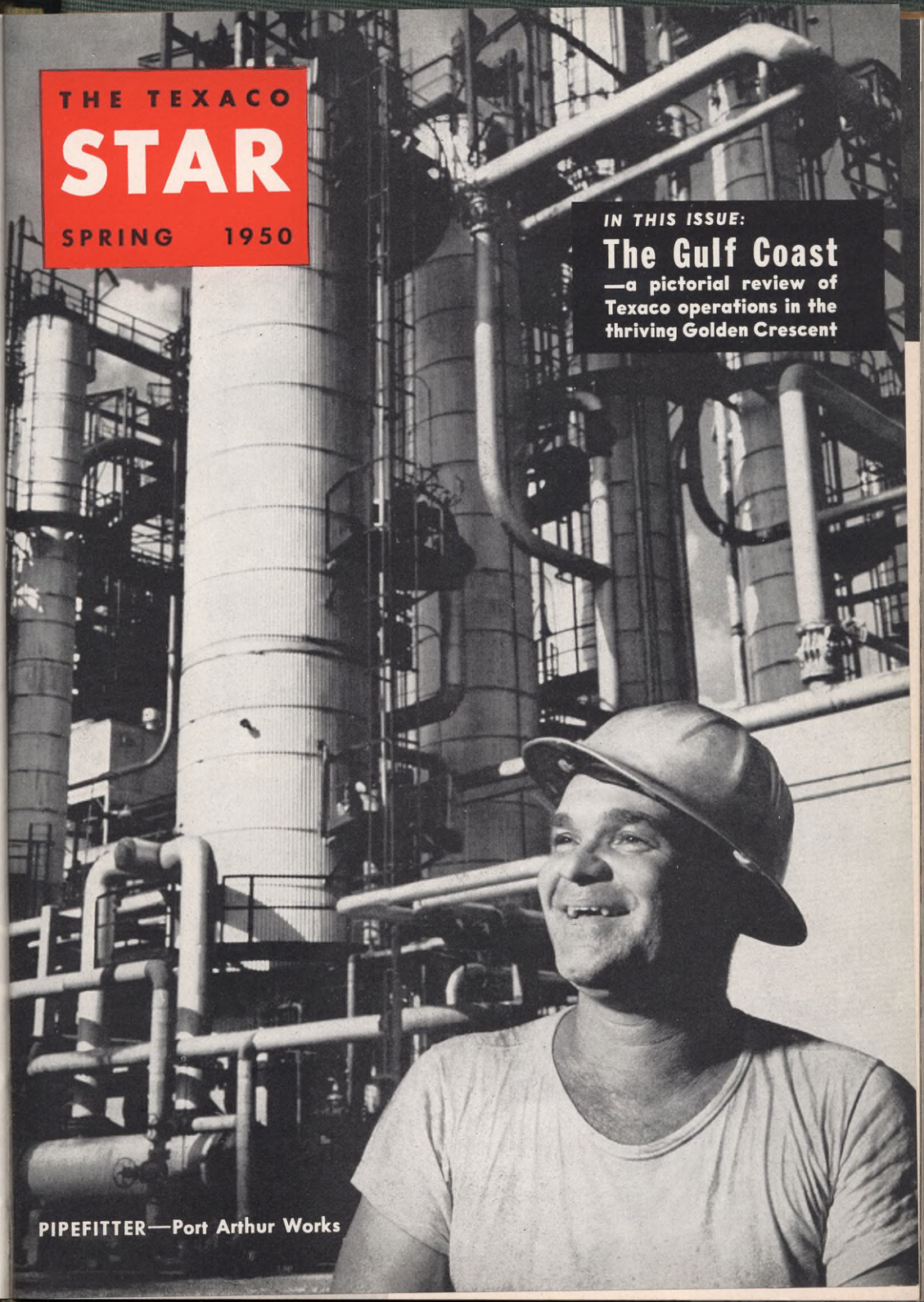


# THE TEXACO STAR

SPRING 1950

*IN THIS ISSUE:*

## The Gulf Coast

—a pictorial review of Texaco operations in the thriving Golden Crescent

PIPEFITTER—Port Arthur Works

**DRILLING RIG—**
**Chocolate Bayou**

# THE TEXACO STAR

*Spring, 1950*

VOLUME XXXVII NUMBER 2


## CONTENTS




**A PUBLICATION OF THE TEXAS COMPANY**

For Stockholders and Employes

W. S. S. Rodgers, Chairman of the Board of Directors; Harry T. Klein, President; R. F. Baker, M. Halpern, B. E. Hull, J. S. Leach, L. H. Lindeman, A. C. Long, R. Ogarrio, C. E. Olmsted, R. L. Saunders, James Tanham, and Torrey H. Webb, Vice Presidents; Oscar John Dorwin, General Counsel; W. G. Elicker, Secretary; Robert Fisher, Treasurer; Ernest C. Breeding, Comptroller, 135 East 42nd Street, New York 17, New York. . . . Published by the Public Relations Department, Philip C. Humphrey, Manager; Wilfred B. Talman, Editor, Company Publications Division; J. Lawrence Filson, Assistant Editor; Ellis Prudden, Joseph A. Callanan, Associate Editors.

Printed in the U. S. A.





PICTURE CREDITS: Photography by O. Winston Link, except as follows: Page 2, Blank & Stoller; Page 14 (*bottom*), K. Welch Studio; Page 23, Robert I. Nesmith; Page 24, The Texas Company. Art work: Pages 4-5, Charles W. North Studios; Pages 20-21-22-23, Daniel Barrick.


## *Brief* AND TO THE POINT

At Manvel field, Texas, Ray Phillips checks crude oil in shake-out glass for presence of water and basic sediment. Oil is economic lifeblood of Gulf Coast

**VITAL LINK**—From Brownsville, Texas, to Apalachicola, Florida, the Intracoastal Waterway serves the growing transportation needs of the Gulf Coast. The sheltered inland water route links the diverse industrial activities of the Golden Crescent and feeds a steady flow of barges into the vast Mississippi River system. At Harvey, Louisiana, opposite New Orleans, the western section of the Intracoastal Waterway joins the Mississippi. There Texaco maintains a marine station that serves tugs which haul barges along the busy waterway.

**TEXAS OIL**—"Petroleum in Texas," according to R. B. Anderson, president of the Texas Mid-Continent Oil & Gas Association, "has become the paramount industry of the state, its biggest employer, the primary source of state's revenue, and the great single benefactor to the institutions of education and public welfare."

**BUSY CITY**—More oil companies and allied industries are located within the city limits of Houston than there are in any other community anywhere. Texaco's Houston Offices are in The Texas Company's own 13-story building at San Jacinto and Rusk Streets.

**ASPHALT**—With an annual production of 325,000 tons of asphalt, The Texas Company's Port Neches (Texas) Works is rated as the largest petroleum asphalt refinery in the world.

**NATURAL GAS**—Hydrocarbon synthesis serves to emphasize the value of Texaco's natural gas reserves. It has been estimated by engineers that if the Company's natural gas reserves could be processed by a synthesis method such as will be used in the plant of Carthage Hydrocol, Inc. (a company in which Texaco has a substantial interest), at Brownsville, Texas, a volume of synthetic hydrocarbons equal to approximately half of the Company's crude oil reserves could be realized.

### ★ ★ THE COVER ★ ★

Like many other Texaco folks at Port Arthur Works, Clarence Domingue is of French descent; his family roots go deep into Gulf Coast history. He has 19 years of Company service, is one of 5,400 employes at Texaco's 48-year-old refinery at Port Arthur, Texas. More lubricating oil (*see Page 20*) is made at Port Arthur Works than at any other single plant in the world.

(*Background*) Part of one of the two fluid catalytic cracking units at Port Arthur Works.

W. S. S. Rodgers

**Retention of the percentage depletion allowance in its present form in the Federal tax laws is a matter of vital concern to Texaco stockholders and employes, to the oil industry, and to the general public**

# Your Stake in "Depletion"

*By W. S. S. RODGERS*

*Chairman of the Board of Directors*

LEGISLATION is pending in Washington to repeal or reduce the present percentage depletion allowance. I think the stockholders and other readers of this magazine should know the meaning of this tax allowance and the importance, to The Texas Company and to the oil industry generally, of its retention in its present form.

In considering the problem, I recall my experiences in the mining business before I went into the oil business. For several years I was connected with the gold mining industry in Colorado, California, and Nevada. It was an old saying in the mining camps then that it cost $1.10 to produce one dollar's worth of gold. Though this saying was not based on any statistical study, I believe it was probably true that it cost more to produce gold than was obtained for it. There have been some people in the oil business who believed the cost of producing crude oil, since the discovery of the Drake well in 1859, has been higher than the return therefrom. I doubt that over the years the cost of producing oil has exceeded its value, but certainly the margin of profit has been far more modest than has been generally understood.

The finding and production of crude oil is similar to gold mining in that both involve great risk. Just as in gold mining, you do not hear of those individuals and companies who risked their time, effort, and money in prospecting for oil and found none, but you do hear of those relatively few people who have "struck it rich" and become millionaires. There are thousands of people engaged in the production of crude oil who have not had this good fortune but who have remained in the oil business risking their time and resources for only a meager return.

Recognizing the risks involved and the hazardous nature of crude oil production, Congress, in 1918, provided for tax-free recovery of the "discovery" value of oil and gas properties. In 1926 this law was modified to make administration easier and more equitable by establishing the present "percentage depletion" allowance. Percentage depletion is a method to permit the producer of oil and gas to recover the replacement cost of that asset as produced and sold. The present percentage depletion law allows a producer, before he figures his taxes, to deduct 27½ per cent of the gross income from the property during the taxable year, but not more than 50 per cent of the net income of the taxpayer from the property.

Percentage depletion in the petroleum industry applies to oil and gas production only. It does not apply to refining, marketing, and other phases of the petroleum business, as these latter functions are similar to other businesses in which the normal allowance for depreciation added to the cost of material and expenses are theoretically sufficient for protection against the taxation of capital itself. Unlike other businesses in gen-

eral, oil and gas production involves the sale of a basic, irreplaceable asset, and in order to stay in business the operator must find new oil at considerable risk and usually at higher cost.

There are many preliminary phases to producing oil which are costly and yet which are unproductive, such as geological studies, geophysical surveys, the taking of leases, long periods of rental payments on leases, the numerous details preparatory to drilling an oil well, and finally the actual drilling. The drilling is very expensive and the record shows that at least four out of every five wildcat wells result in failures. Taking into consideration all wells drilled, in proven areas as well as wildcat areas, one out of every three wells is a dry hole. In some cases the oil and gas reserves discovered will not be enough to pay for the costs of finding the crude oil and producing it. An oil operator will undertake such a hazardous venture because he hopes that he can recoup, through earnings from the wells that do produce, his losses in drilling dry holes. In other words, an operator must receive a substantial gain on a successful venture to compensate for the losses on the unsuccessful ones. This depletion allowance has proved its effectiveness and desirability in that it has encouraged the search for new oil and gas reserves to take the place of reserves withdrawn from the ground.

The existing tax provisions have been in the law for such a period of time and have worked so well that they are, in fact, part of the industry's cost and price structure. Although reviewed by Congressional committees from time to time, they have not been disturbed.

President Truman, in his tax message to the Congress, has called the percentage depletion allowance a "loophole." The House Ways and Means Committee has conducted hearings on the advisability of eliminating or reducing this allowance, and the industry has presented to the Committee a strong case to sustain its contentions that the allowance is not a "loophole." The industry is facing a long and important struggle, which, if it is to be won, must have the combined assistance and backing of not only the industry but also the stockholders of the various oil companies and the people who make their living directly or indirectly therefrom. Moreover, the general public should be vitally interested in the retention of this allowance because if the allowance is eliminated there will probably be an increase in prices of petroleum products and eventually a shortage of supply.

I would like to emphasize the important fact that the percentage depletion allowance is not put in the industry's pocket as merely additional profit. In the recent hearings before the House Ways and Means Committee on this phase the following testimony was given by the head of the Mid-Continent Oil and Gas Association in Texas:

"*A member of the Committee raised the question as to whether the large producers were using the benefits of the percentage depletion provisions in the manner intended by Congress. In response to that question, a detailed survey has just been completed of a group of large oil companies, including all of the so-called major companies in the industry, for a twelve-year period from 1936 to 1947 inclusive, which is the longest period for which complete and accurate data could be assembled covering their operations. The survey shows that this group of companies spent more in their efforts to find new oil reserves than the total percentage depletion allowed for the same period, or one billion, eight hundred thirty-three million dollars ($1,833,000,000) more in their efforts to find new oil than the total additional taxes they would have paid without the percentage depletion provision in the law.*" (See Congressional Record, March 15, 1950, Page A2052.)

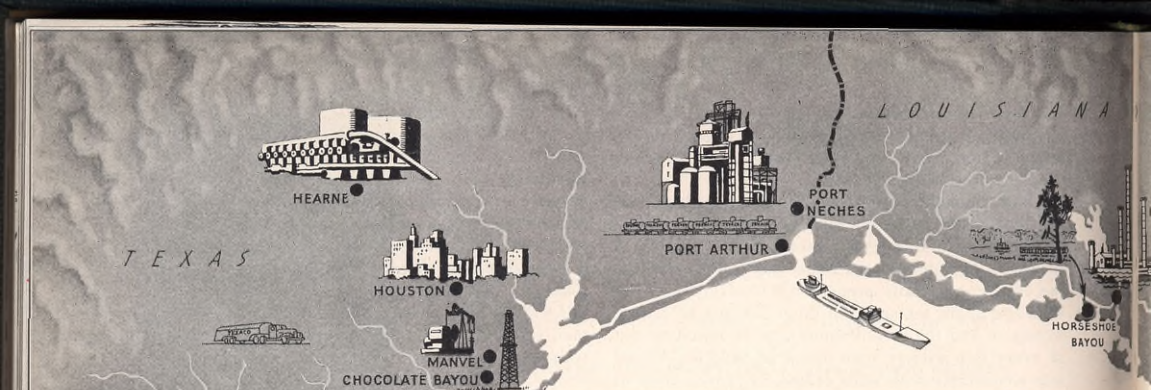
In the year 1949, The Texas Company spent nearly twice as much money seeking new oil reserves than it received as a tax benefit through percentage depletion allowance. This Company did not take the percentage depletion allowance as an additional profit but such allowance, together with a great deal more money, was plowed back into the discovery and development of new oil and gas reserves to replace withdrawals.

This much I can say with considerable confidence: if the percentage depletion allowance is eliminated or even reduced there will either be less exploration and drilling and therefore increasingly less production as the years go by, or the stockholders must forego a considerable amount of dividends and employes will have less security in their jobs in order to permit the continued exploration and development of oil and gas. It might not be long before the nation would be faced with a possible oil shortage and would begin to feel the effect in prices of petroleum products.

The nation's security and economy require that the petroleum industry at all times have a potential producing capacity considerably in excess of withdrawals of crude oil. With the elimination of percentage depletion allowance, it would be a relatively short time before this excess of available crude would disappear, with the resulting permanent damage.

I sincerely hope that the Congress will not change a tax system which has worked so successfully for a period of 25 years, has made possible the discovery and development of 48,000,000,000 barrels of new oil reserves (one and one-half times the volume consumed), and fueled World War II by supplying six-sevenths of all the oil consumed by the United States and our Allies. Under this tax system the industry, at the end of such 25-year period, has the largest proved reserves in history, and has contributed to the direct employment of more than 2,000,000 people by the oil industry, and to the indirect employment of millions of others in allied or dependent industries.

In conclusion, and in view of the vital stake which each of you has in this Company and this industry, I hope you will take the time and effort to understand this problem so you will know that the percentage depletion allowance is not a "loophole" but is a necessary incentive to the continuation and growth of a most hazardous venture—the production of crude oil and gas.




# THE GULF

## Texaco has major activities in a fabulous region of enterprise and growth along the Gulf of Mexico

**SUPPLY ROW**—On the outskirts of Houston, many displays of oil field tools are featured

PEOPLE nowadays are prone to use the adjective "golden" in describing the nearly 700-mile-long arc of Gulf of Mexico coastal plain between Brownsville and New Orleans, depicted above and pictured on these and following pages.

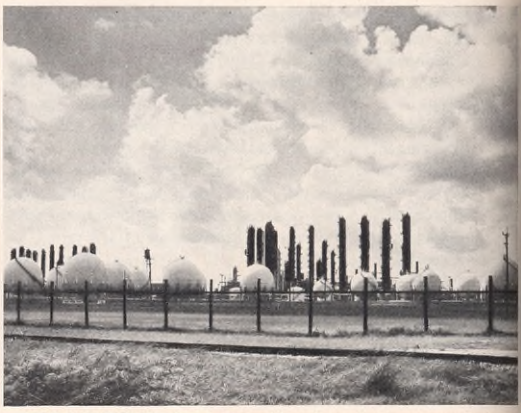
Judged by almost any standard—natural resources, industrial output, farm and ranch production, commercial activity—this fabulous region of the Gulf Coast deserves to be called the "Golden Crescent." Here are a few of the region's industrial nuggets:

It has three of the world's best known salt deposits and produces 98 per cent of this continent's sulphur.

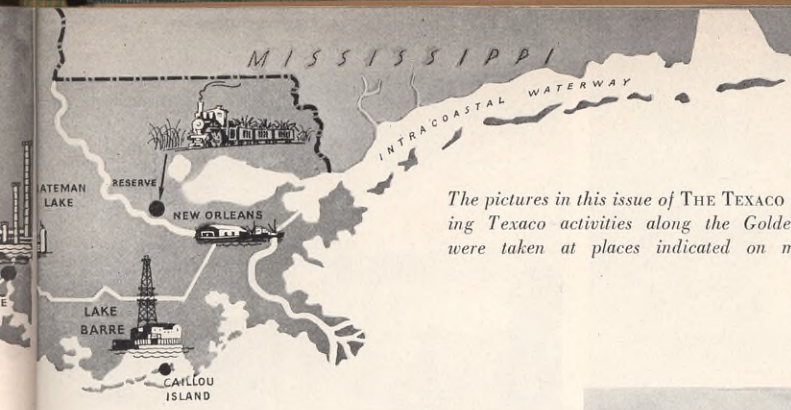
It has 80 new chemical plants worth $1,000,000,000. When present expansion programs are completed, 80



**NEW ORLEANS**—Here, at one of the nation's great ports, a Texaco-lubricated ship is loading cotton destined for Italy



**PORT NECHES**—Synthetic rubber ingredients are made in plant of Neches Butane Products Company, a Texaco affiliate




*The pictures in this issue of* THE TEXACO STAR, *showing Texaco activities along the Golden Crescent, were taken at places indicated on map at left*

# COAST

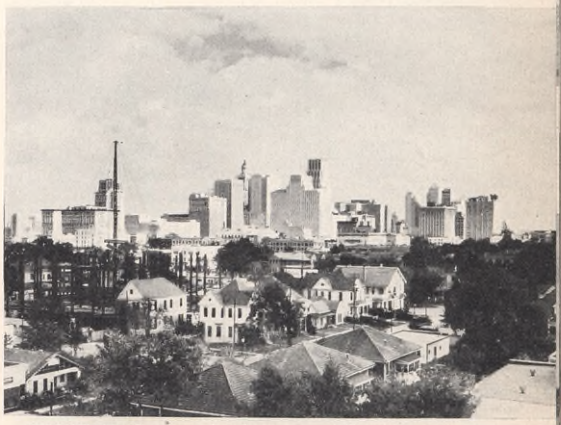
per cent of the nation's petrochemical industry will be spread along the Gulf Coast.

The famous Ship Channel that connects Houston with the Gulf serves the biggest concentration of newly-built industry in the world, valued at more than $1,000,000,000.

*Fortune* magazine has dubbed the Gulf Coast the "ruling center of global petroleum doings today." Fifty of the country's 400 oil refineries (including the nation's largest) are located here. The Golden Crescent produces 20 per cent of the nation's crude oil and turns out 31 per cent of the refined gasoline.

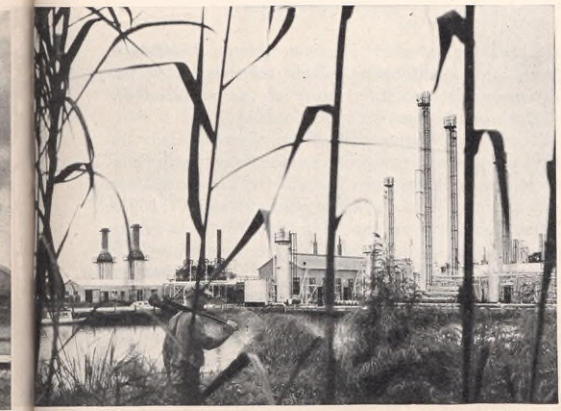
There is a feeling of wonderful destiny, of "going places," along the Gulf Coast that a visitor swiftly senses. It's a region that makes him feel he's missing out on something big if he doesn't become a part of it. New forces are creating significant changes in this semitropical littoral where the pulse of progress is beating strongly.

If any one thing can be said to give the Gulf Coast its personality, it is oil. Symbols of oil are rarely out of

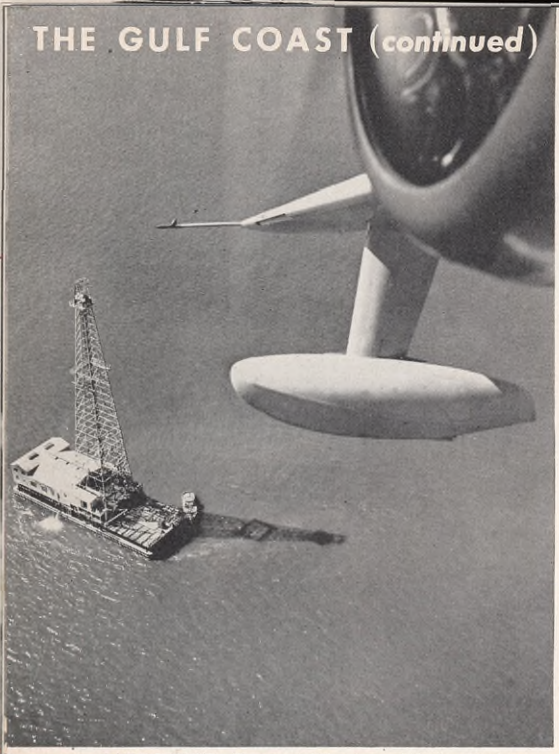


**HOUSTON**—Southern headquarters of Texaco are in this booming city, the South's largest industrial center

**PORT ARTHUR**—Docks at Terminal are marine shipping point for products made at Port Arthur Works

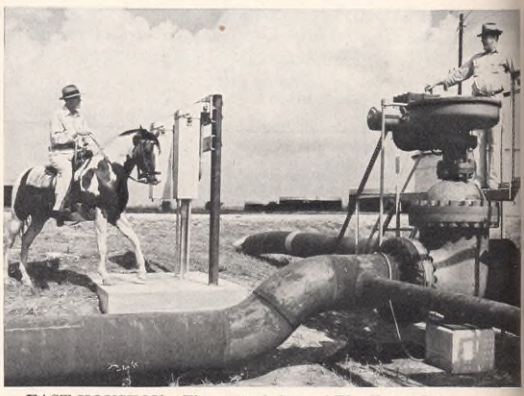


**BATEMAN LAKE**—"Rich" natural gas processed in this Texaco cycling plant yields 1,850 barrels of condensate a day



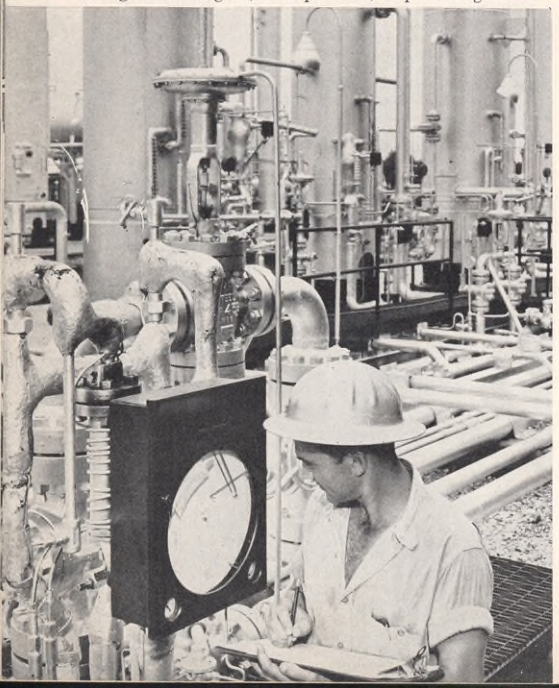
**LAKE BARRE**—Texaco drilling barge *Rhodes*, "making hole" in Lake Barre field, is largest of kind in world


**PORT ARTHUR WORKS**—Approximately 5,400 Texaco folks are employed at this refinery, located on a 5,000-acre site. (*Above*) Main gate at end of day shift



**EAST HOUSTON**—The 20-inch line of The Texas Pipe Line Company (wholly owned by Texaco) to Port Arthur goes underground at this point at pump station

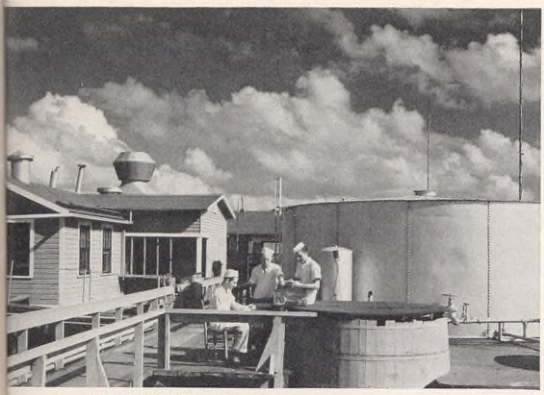
**CONSERVATION**—Bateman Lake plant extracts liquids from gas, returns gas (under pressure) to producing sands



sight of the traveler. Derricks, pumps, "Christmas trees," tank farms, cycling plants, refineries, pump stations—one is constantly aware of the petroleum industry's omnipresent activity.

Texaco has been a part of the oil scene along the Gulf Coast from the beginning of the Company in Beaumont, Texas. It was there, in the vicinity of Port Arthur (where today Texaco's largest refinery stands) that The Texas Company was founded in 1902. Although Texaco has grown since then until its operations, directly or indirectly, embrace a major portion of the world, the Company continues to be firmly rooted in the Gulf Coast region.

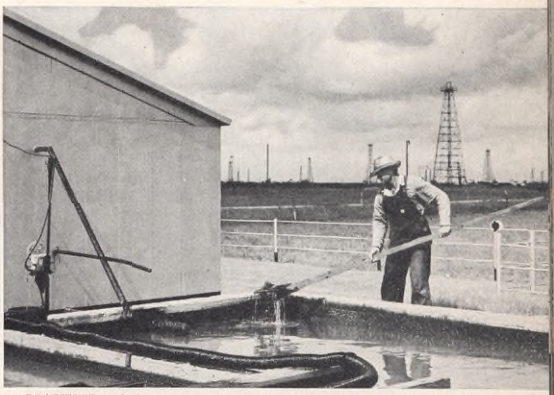
The Texas Company's activities in the Golden Crescent cover all phases of Texaco's integrated operations,



**CAILLOU ISLAND**—Peeling potatoes for supper at Caillou Island field camp are (*l. to r.*) H. M. Breaux, A. P. Naquin, and E. J. Breaux. Camp is built on piling

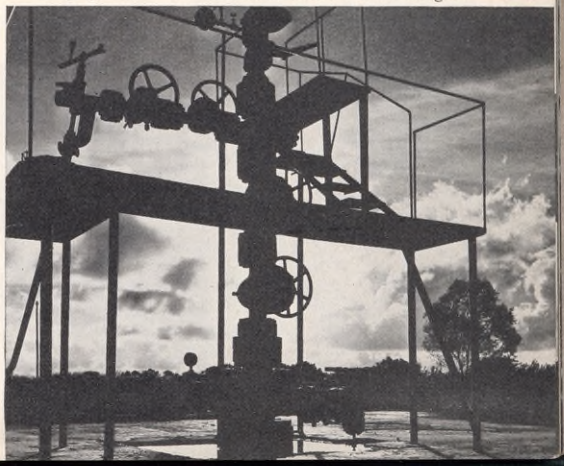
**WATER OPERATION**—Texaco tug, with barge in tow, heads for tank battery in Caillou Island field. Barge will be loaded with crude oil for Port Arthur Works


**SALES TERMINAL**—A tank truck pulls out of the Sales Department's terminal in Houston with gasoline for Texaco dealer service stations. It is a 5,600-gallon unit



**MANVEL**—Salt water, encountered in producing operations at Manvel field, is being cleaned of sediment in settling tank. Clean water will be returned to the earth

**CHOCOLATE BAYOU**—This "Christmas tree," capping a high-pressure distillate well, controls flow of gas

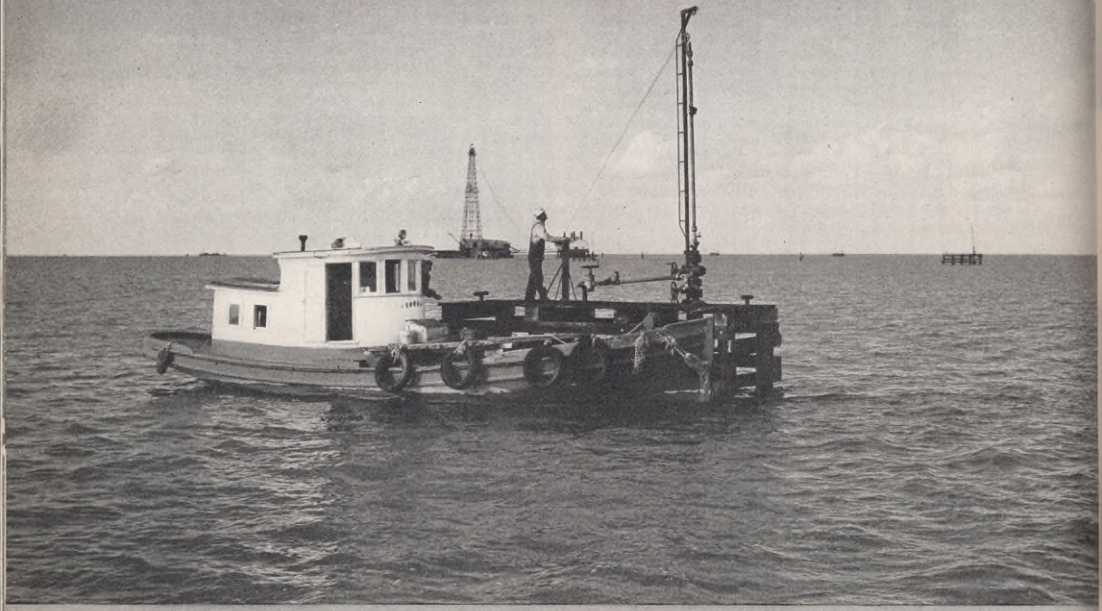


from finding and producing oil to refining and marketing a vast array of finished petroleum products. And, today, there is a new aspect of Texaco's traditional rôle in the oil picture—petrochemicals. Texaco has an interest in companies that produce liquid fuels and chemicals made from natural gas, synthetic rubber ingredients, and a wide range of chemical compounds made from refinery by-products.

Of the 31,000 men and women who work for The Texas Company in the United States, 38 per cent are employed in Texas. Eight and one-half per cent of Texaco's employes are located in Louisiana.

With major activities in the Golden Crescent, The Texas Company figures importantly in the emergence of this region as a great force in the nation's business.

# SOUTHERN ACCENT on oil



**TEXACO LAUNCH** carries Eno Clement on regular maintenance rounds to Company wells in Caillou Island field

**REFLECTION SEISMOGRAPH** party in southwestern Mississippi *(left)* maps subsurface structures. *(Inset)* Holding seismogram, Party Chief M. J. Millet and Recorder C. E. Caldwell study underground reverberations from the shot-hole explosion

**STAFF MEETING** at New Orleans finds Texaco producing men discussing progress of operations in Louisiana Division

**WELL LOGGING** electrode is tested in simulated oil well strata by R. P. Mazzagatti at Producing Research Laboratory, Bellaire. Aim: greater accuracy in field use

**CORE SAMPLE** is removed from core barrel by crew in Chocolate Bayou field. Sample will be examined in "lab" tests to provide data on formations in the field

## Texaco marshals forces of men and equipment to find and produce the Gulf Coast's "black gold"

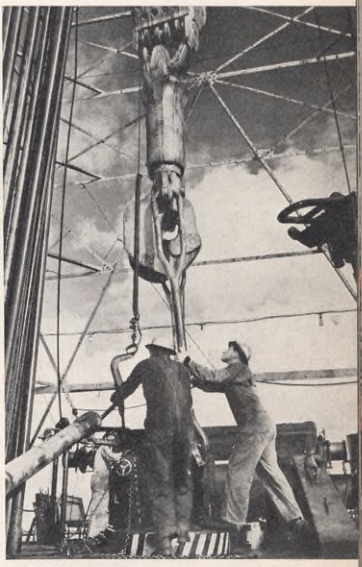
**PUMPING WELLS** like this at Manvel field, Texas, are valuable crude oil source

THE gold in the Golden Crescent is oil. From the Mississippi to the Rio Grande, the accent is on oil. Petroleum is being produced, refined, and put to work at a bewildering variety of tasks. Along the coastal plain oil is the great provider. For example, a recent survey shows that one out of every 10 breadwinners in Louisiana gets his living from the oil business.

The Gulf Coast, according to a leading industry journal, is the fastest-growing and most important oil area in the country. It is estimated that the region has 29 per cent of the nation's petroleum reserves.

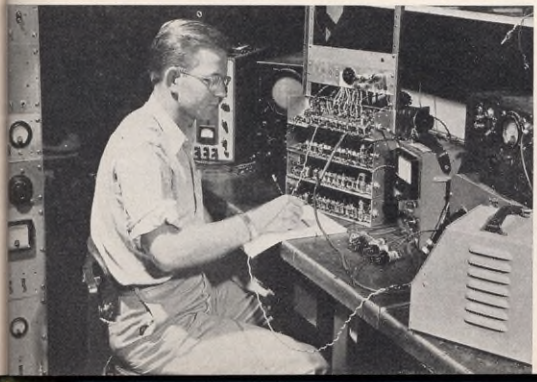
The Texas Company, which produces two-thirds of the crude oil it refines, is busy finding and producing—as well as refining—oil in the Golden Crescent. The Company is a leading producer in the coastal areas of Louisiana and Texas. Like other operators, Texaco has taken great risks and faced increasing costs in boosting domestic reserves on the Gulf Coast.

Reflecting the national pattern, replacement costs of these reserves have zoomed in the Gulf Coast area. The oil industry now has to spend more money than ever before to replace oil removed from the earth. But in the Gulf Coast region, as elsewhere in the nation, the search for new crude oil reserves, to replace reserves currently being withdrawn, never stops.

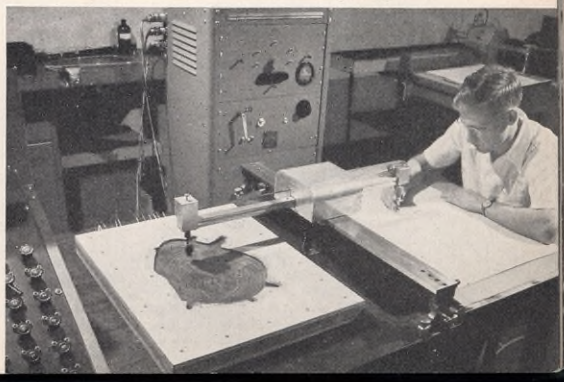


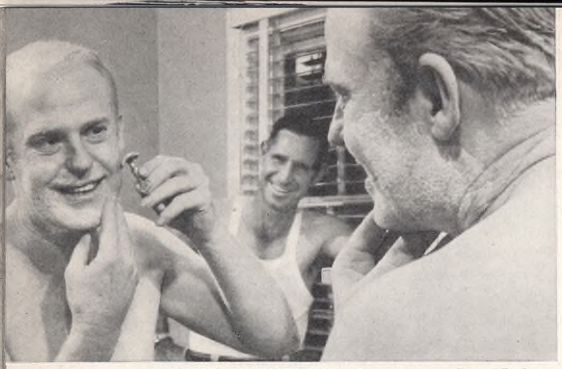
**DRILL PIPE** goes into a well at Chocolate Bayou field, Texas

**SEISMIC EQUIPMENT** is developed in Texaco's Geophysical Laboratory at Bellaire, a suburb of Houston. A. B. Ammons is testing lightweight seismic amplifier



**STUDIES** of cycling problems in condensate reservoirs are aided by chronocartograph being used by R. B. Stelzer at Bellaire. The device was developed by Texaco





**SHAVES OF EVENING**—Derrickman Sam Hudson tells Driller Wilfred Simar that shaving at night saves time when you get up at 5:30 a.m.

# SAM...
# Producing Man

STAR CLOSE-UPS

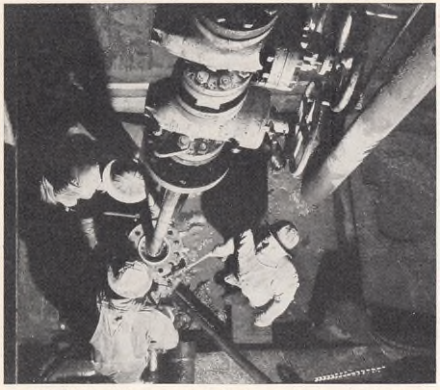
IF you like your coffee strong, you like it the way it's brewed in the South. And if you are a member of a drilling crew—as Derrickman Howard Hudson is—at Horseshoe Bayou field, in the Louisiana Division of Texaco's Producing Department, you'll find coffee (Southern style, of course) is a way of life.

When 5:30 a.m. rolls around at Horseshoe Bayou field camp, "Sam" Hudson (he doesn't know how he came by that nickname) and his crew mates are awakened and served a cup of steaming, black coffee. It's a good way to start a strenuous day that takes a man out to his job on a drilling barge in bayou country.

Sam's been a Texaco Producing Department employe for 11 years. He spent five of these years in the Army, serving in the European Theater of Operations as a chief warrant officer in the Corps of Engineers.

Sam and his wife have a home in New Iberia, about 45 miles from Horseshoe Bayou. During the six days when he's on duty, Sam lives at the field camp. Whenever he can do so in his leisure time at home, Sam gets in some hunting or fishing—preferably the latter. With his outboard motor boat, he seeks good spots to catch perch or trout.

Sam Hudson—Texaco producing man—is a member of one of those important teams of skilled men that probe the Gulf Coast region in search of underground reservoirs of petroleum.

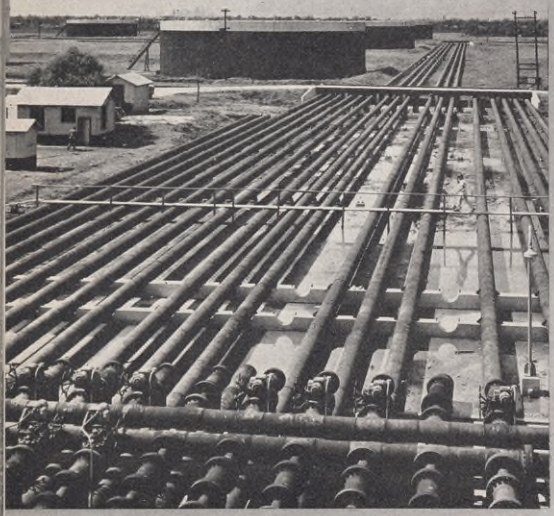


**FINALE**—Flow control device called a "Christmas tree," which Sam is helping to install, will mark site of well when drilling barge is moved to new location. Well was completed in 52 days, at depth of 12,251 feet, as a crude oil producer

**EYE OPENER**—Sam starts day with coffee served by L. Amy

**GOOD START**—A hearty breakfast is packed away by Sam Hudson and other members of drilling crew at Horseshoe Bayou camp, near E. Cote Blanche Bay


**BOAT RIDE**—Tug *Capt. Terry* (below) takes drilling crew from Horseshoe Bayou camp at right, background, to drilling barge *Giliasso* (above) in bayou location. Sam's crew goes on duty at 7 a. m.

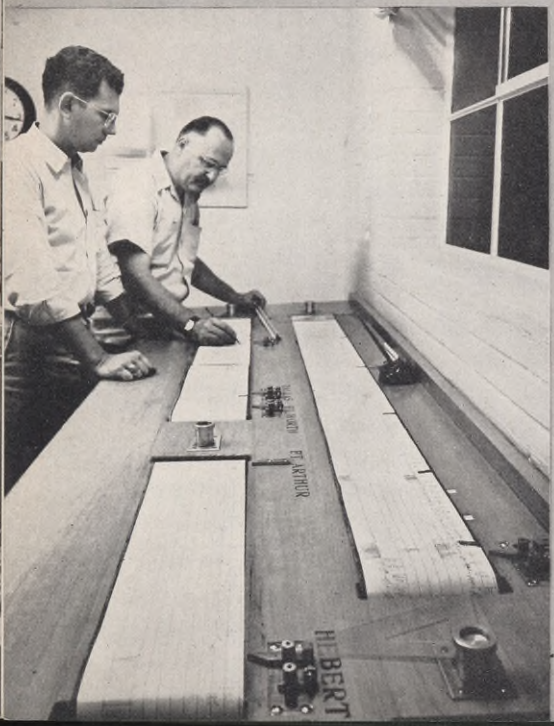


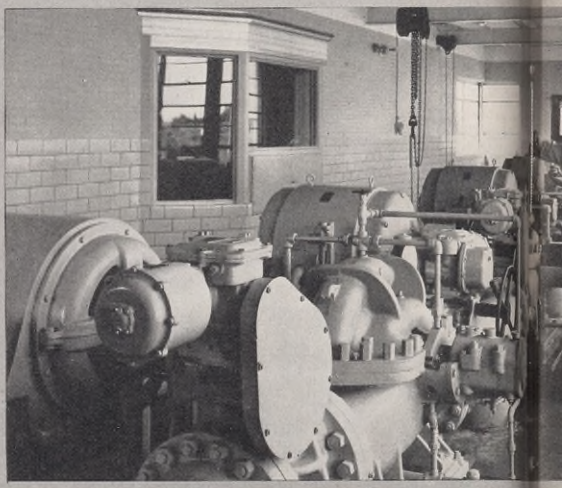
**ON THE WAY** to Texaco's Port Arthur Works, crude passes through manifold at East Houston Station

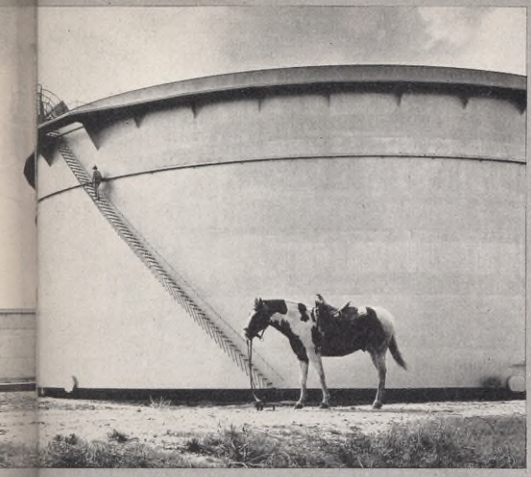
**GAUGER** Charles Damon climbs tank at East Houston to check crude while horse waits patiently

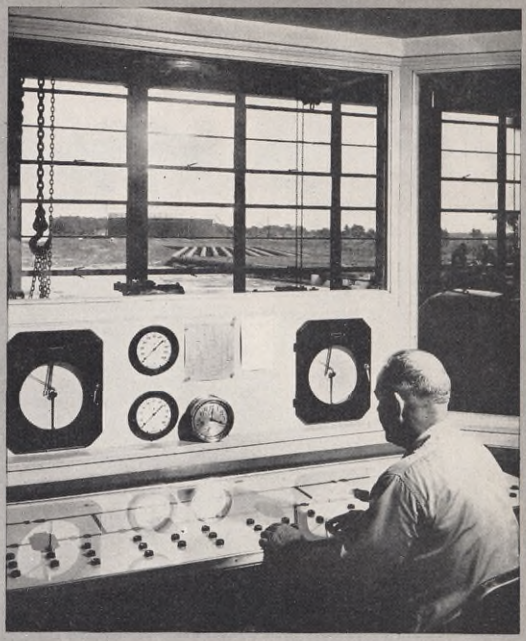
**AT HEARNE STATION** the Magnolia Pipe Line Company delivers products from Port Arthur Works to The Texas Pipe Line Company. Dispatchers record product movements on tapes

**CRUDE MOVEMENT** is discussed by G. E. Cunningham *(l.)* and C. H. Albitz, pipe line traffic men



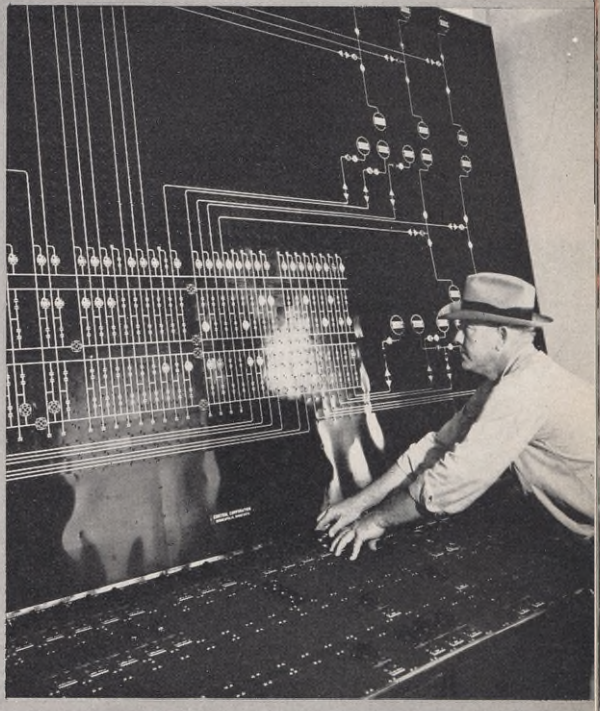




## PETROLEUM'S
# SUBWAY CIRCUITS

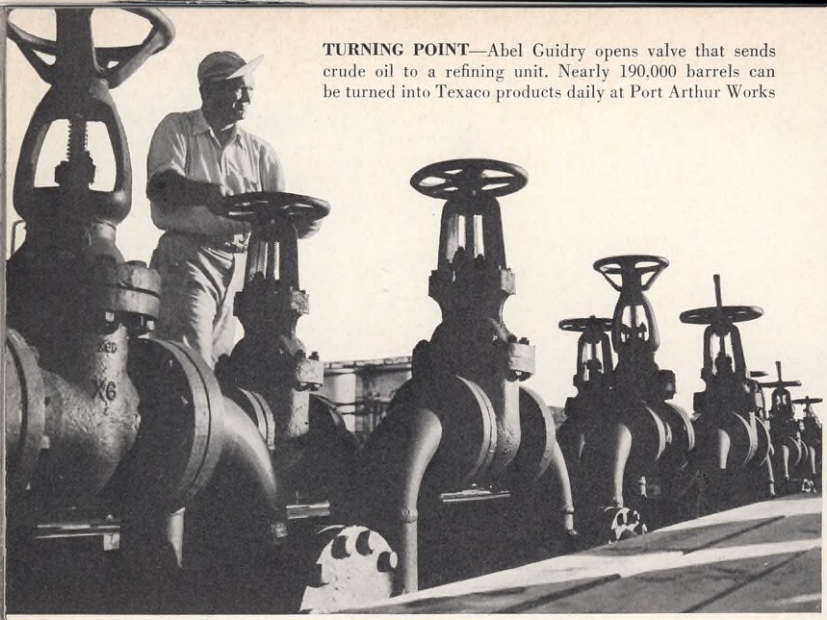
No sooner do producing men bring crude oil out of the earth than the pipeliners send it underground again. As elsewhere, pipe lines in the Gulf Coast area are vital links between oil well and refinery, and refinery and market. Gasoline delivery trucks and railroad tank cars are familiar sights. But few people ever see a pipe line because it's underground. Petroleum's "subway circuits" are nowhere busier than they are in the Gulf Coast region with its concentration of producing and refining activities. Here we see facilities of The Texas Pipe Line Company, a wholly-owned subsidiary of The Texas Company.

▲ **TOUR ENGINEER** M. A. Hammond at control console, which "handles" pump room valves and motors



**PUMP ROOM** at East Houston. These electric pumps can handle 160,000 barrels of crude a day

**FLOW CONTROL** board shows every line and valve in manifold and tank farm at East Houston



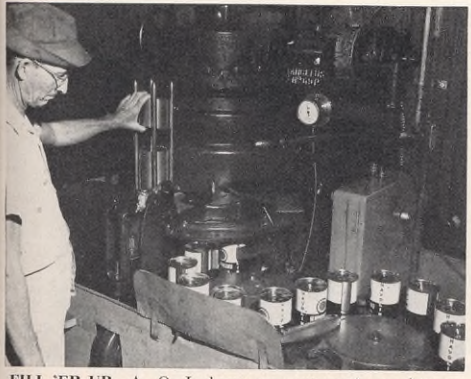
**TURNING POINT**—Abel Guidry opens valve that sends crude oil to a refining unit. Nearly 190,000 barrels can be turned into Texaco products daily at Port Arthur Works

INDUSTRIAL production lights the night as the Gulf Coast works 'round the clock. Nowhere is the area's intensive activity better illustrated than in the oil industry's dawn-to-dawn operations. At dusk, when the work day ends for many, oil rolls up its sleeves and heads into another shift. A galaxy of earth-bound stars lights up the night at drilling rigs, pump stations, and refineries. At Texaco's Port Arthur Works the blaze of myriad night-lights throws an incandescent glow into the sky. Here, in Texaco's biggest refinery, the work goes forward during the night to supply the waiting markets of the world with famous products bearing the Red Star with the Green T. Texaco is an old-timer on the Gulf Coast. It started there in 1902, and there it grew up. Port Arthur Works was Texaco's first refinery. From a cluster of small units it has grown to one of the world's great oil refining centers.

**PETROCHEMISTRY**—At Brownsville, Texas, Carthage Hydrocol, Inc., a company in which Texaco has a substantial interest, synthesizes liquid hydrocarbons from natural gas

# "... a myriad scattered stars"

**PAIR OF KINGS**—These giant "cat crackers," the monarchs of Port Arthur Works, wear a jewel-bright mantle as they work through the night. These units increase the quality of gasoline made from each barrel of crude oil



**FILL 'ER UP**—A. O. Ledoux uses automatic machinery to fill, cap, and seal these Havoline Motor Oil cans

**RIDING COMFORT**—Drums of "cushion-ride" Marfak are stenciled by O. Bourque for shipment to market

**BILL GARNER**—Statistician in the Domestic Sales Department's Territorial Office, Houston

# HOUSTONIAN

## Bill Garner—Texaco employe, civic worker—is an enthusiastic citizen

ALONG with thousands of other Houstonians, William Henry Garner earns his living in the oil business. In an integrated oil company such as The Texas Company—for which Bill Garner works—producing, transporting, refining, and marketing operations require many employes to do important statistical work. Bill is a Statistician on the staff of the Assistant Manager (Operations) in the Southern Territorial Office of Texaco's Domestic Sales Department. Like most of the more than 1,250 men and women The Texas Company employs in Houston, Bill works in Texaco's southern headquarters building on San Jacinto Street, in the heart of the Houston business district.

Bill lives in Houston with his wife and children. Like many other Texaco employes in the Texas metropolis, 32-year-old Bill Garner is a Houstonian by adoption. "I'm a country boy from Richards," he explains, referring to his birthplace, which is about 60 miles north of Houston.

Bill Garner came to work for The Texas Company in 1941. During the two preceding years, following his graduation in 1939 from Sam Houston State Teachers College (where he majored in mathematics), Bill had coached football and taught "math" at Aldine High.

**SHOPTALK** engages Bill (*left*) and C. E. Cook, homeward bound from the Houston Offices


**WAITING** for bus, Bill scans evening news headlines. Texaco building is in background (*right*)

In July, 1939, he married Lucille Leonard, daughter of C. H. Leonard, an Accountant in the Producing Department offices of Texaco at Houston.

The Garners live in an attractive, ranch-type house in West University Place, which is about 30 minutes by bus from downtown Houston. More than 50 Texaco families reside in this pleasant suburban community, where childern are in the majority. The five Garner youngsters—three girls (Adair, Leslie, and Lynn) and two boys (Bill, Jr., and Cam)—are the very active center of the Garners' home life.

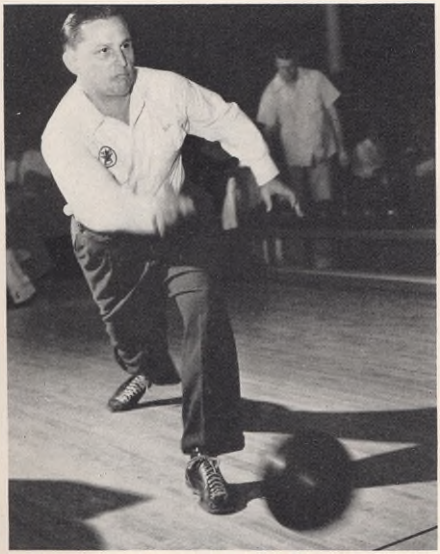
From 1943 to 1945, Bill served as an assistant professor of mathematics—teaching in the Army Specialized Training Program—at The Citadel (a military college in Charleston, South Carolina) and as an ensign and lieutenant (j.g.) in the Navy. Naval training brought Bill to Harvard University. Later, he served as a communications officer on the staff of the Commander of Service Forces of the Pacific.

When he isn't helping Lucille at home, Bill finds time for a number of activities of civic importance. He originated a youth activity program for about 2,000 children at the San Felipe Courts, a large housing project for young married couples in Houston. Bill has served as director of the Houston Junior Chamber of Commerce and last year was one of the directors of the National Junior Chamber of Commerce Golf Tournament. He is now chairman of the Golf Committee of the Texaco Country Club.

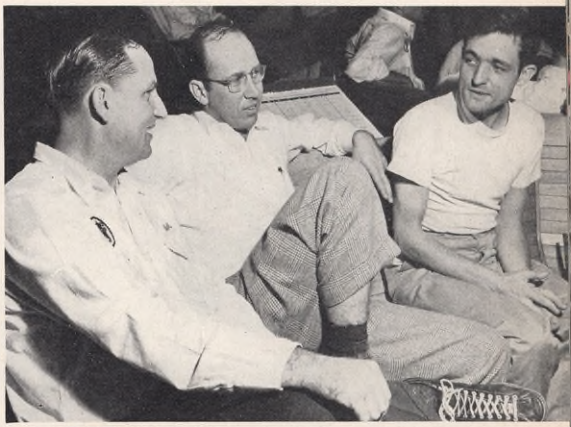
As a citizen, as the head of his family, and as an employe of The Texas Company, Bill Garner believes a sense of responsibility and coöperation is essential in whatever he does.

**DADDY'S HOME!** It's the big evening event for little Cam Garner, who'll soon be heading for bed

**SUPPER** this evening is geared to early departure Bill has to make on nights he goes bowling



**STRIKE** (he hopes)! Bill bowls every Monday evening with team in Texaco Bowling League



**BETWEEN ROLLS,** Bill chats with George Soutter and C. H. Farwell, Producing Department

# LUBRICATING WHEELS OF PROGRESS

TEXACO covers the Gulf Coast like the azure sky. Wherever you look you're likely to find a Texaco product doing a good job . . . in sugar mills . . . in chemical plants . . . in shrimp fleets . . . on farms . . . in transportation. Oil is at work everywhere providing energy and the vital film that keeps moving parts moving. A long time ago it *started* the big wheels of progress turning along the Gulf Coast. Today it *keeps* them turning.

The Gulf Coast is lucky. It has grown up industrially on a plentiful supply of crude oil. One of the richest oil-bearing sections of the country, it provides a ready market for its bountiful supply of black gold. Herewith, two cases in point: sugar and shipping.

Columbus brought sugar cane to the New World. The Spaniards, with an eye to empire building, then developed cane production in the West Indies on a commercial scale. In 1751 it was introduced into continental America and soon flourished in Louisiana. Today that state remains the country's leading sugar producer.

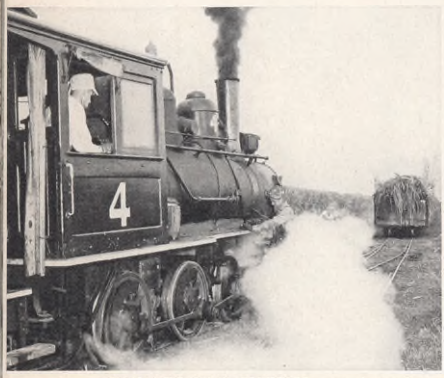
At Reserve, Louisiana, Godchaux Sugars, Inc., operates one of the Gulf Coast's outstanding sugar refineries. Here, approximately 2,500,000 pounds of sugar are refined daily, enough to sweeten the morning cup of coffee of every person in the United States. Texaco lubricants such as Hydraulic Oil, Steam Cylinder Oils, Regal Oils, and Crater help to keep the mills of the Godchaux grinding.

Texaco is a leading supplier of marine products at leading Gulf Coast ports. Today, those ports are handling record tonnages. New Orleans, with its 17 miles of docking facilities, ranks as one of the nation's largest ports.

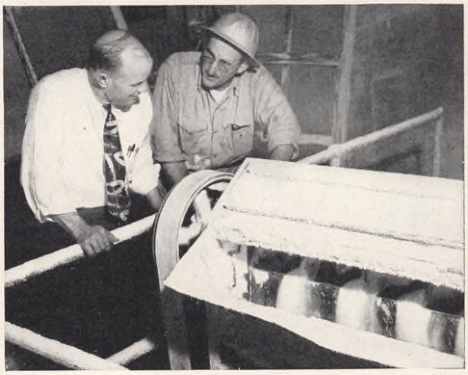
To serve this growing marine traffic, Texaco experts advise ship engineers on lubrication problems, as the pictures, above right, show.

**MECHANIZED HARVESTING** speeds cane to processing units at Godchaux refinery.

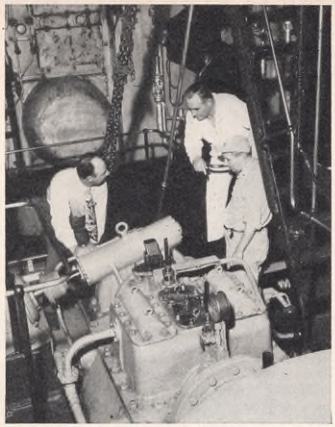
Petroleum plays big part in Gulf Coast agriculture. Texaco serves farms, industries



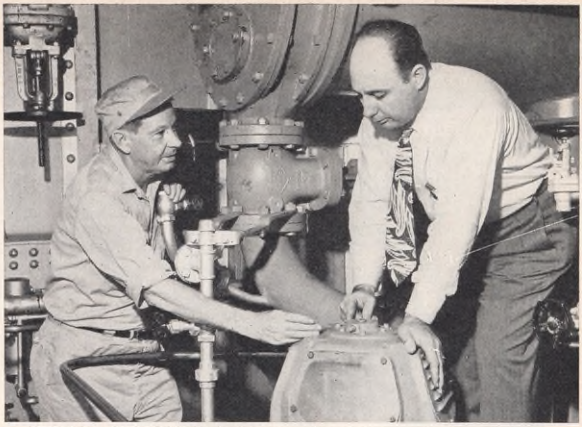

**PRIVATE RAIL SYSTEM** runs through cane fields to haul harvest to refinery



**PRESENCE OF SUGAR** posed problem in lubricating vibrating screens. A Texaco product did job

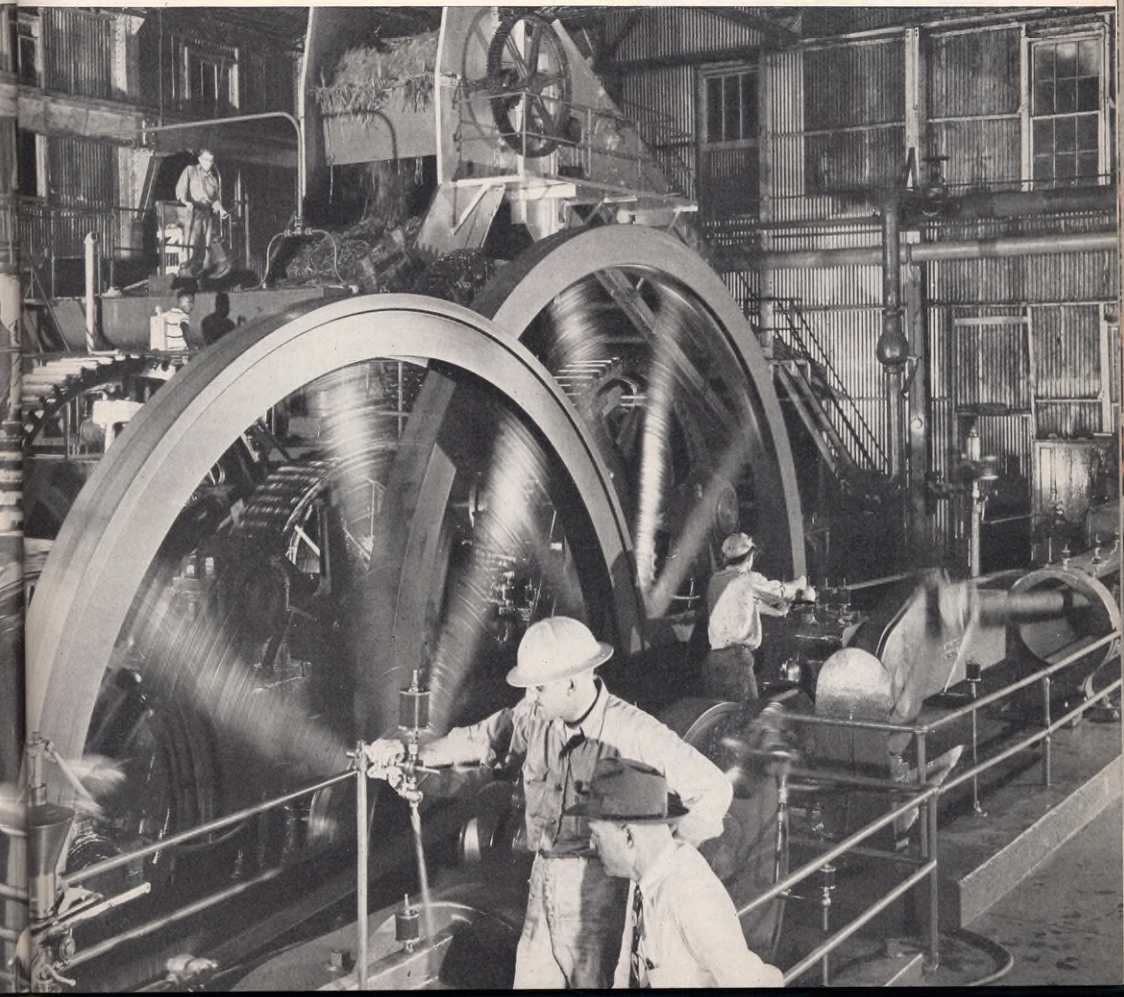


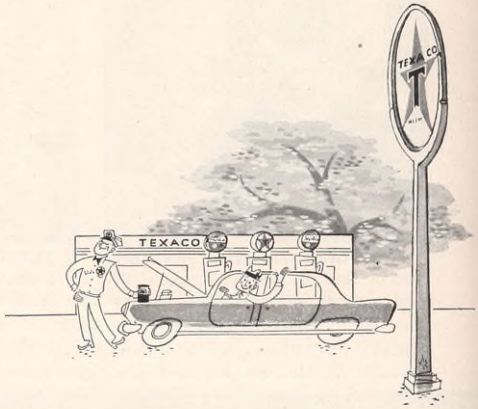
**PINION GEAR** lubrication gets attention of Texaco's J. C. St. Amant *(left)* and ship engineers at New Orleans



**TEXACO SERVICE** includes up-to-date lubrication advice for customer. Here St. Amant boards a recent arrival in the port of New Orleans to consult with chief engineer on auxiliary pump lubrication

**HEAVY ROLLERS** extract juice from shredded sugar cane. H. D. McConaughey of Texaco's New Orleans Division, Domestic Sales, discusses lubrication with H. J. Boudreaux, Jr., at Godchaux's Reserve, La., refinery




## Custom-Made Havoline—"the best motor oil money can buy"—is now on the market after 3,000,000 miles of exhaustive tests

A NEW premium motor oil—*Custom-Made Havoline Motor Oil*—has been added to the family of Texaco motoring products. It is the most recent improvement of a distinguished premium motor oil which has been on the market for many years.

Custom-Made Havoline is being introduced throughout the United States by Texaco dealers and by McColl-Frontenac dealers in Canada.

Made from specially selected crude oil stocks, Custom-Made Havoline is refined under the most careful laboratory control conditions. It is made with the best equipment obtainable and by the best processes science can devise. Much of the equipment and processes used in the manufacture of Custom-Made Havoline was developed by Texaco scientists and engineers. Texaco research and technology have combined to make Custom-Made Havoline Motor Oil the finest motor oil that money can buy.

In developing the new product, Texaco's research staff faced a problem which reveals the Company's forward-looking product policy. The Havoline Motor Oil which is now replaced by Custom-Made Havoline was an outstanding product—the leader in its field. But, Texaco research was assigned the difficult task of making an even better motor oil.

Hundreds of laboratory tests were made before the research staff at Texaco's Beacon (New York) Laboratories was satisfied. Meanwhile, the Company's post-war expansion and modernization program was going ahead at the refineries. New units were nearing completion at Texaco's great Port Arthur Works which would permit the manufacture of more and better lubricating oils.

Finally, Custom-Made Havoline was ready to "hit the road" in a series of grueling tests which rolled up the breath-taking total of 3,000,000 miles. Old-timers who are familiar with industry testing procedures cannot recall a single motor oil ever being given such a thorough testing.

The story of these record over-the-road tests extends into every state in the country and into the provinces of Canada. Texaco isn't interested merely in *some* of its customers, it aims to satisfy *all* of them.

*Hottest . . . coldest . . . highest . . . lowest . . .* at all extremes of temperature that Texaco customers have to face, Custom-Made Havoline was put through the mill of performance tests.

Test cars climbed Mt. Evans in Colorado to see what the new motor oil would do under conditions of extreme

height. At 14,253 feet above sea level Custom-Made Havoline turned in a performance record that more than met the severest customer demands for mountain motoring.

In the blistering heat of Death Valley, Custom-Made Havoline sped through miles of tests which simply added to the luster of its championship performances. There, at 280 feet *below* sea level, Custom-Made Havoline demonstrated that its premium performance characteristics hold up under the hottest driving conditions in the country at below-sea-level atmospheric pressures.

To get the performance quality of the new product under the coldest possible driving conditions, cars were tested in the bitter, penetrating cold of Montana and North Dakota. Again Custom-Made Havoline turned the trick and delivered tip-top performance.

Beacon Laboratories conducted a special highway test on the famous Pennsylvania Turnpike with a fleet of cars carrying special test equipment. The fleet test was so conducted that the cars met actual driving conditions . . . level driving . . . up and down hill . . . stop and go . . . quick starts and sudden stops . . . fast acceleration for passing . . . and so on.

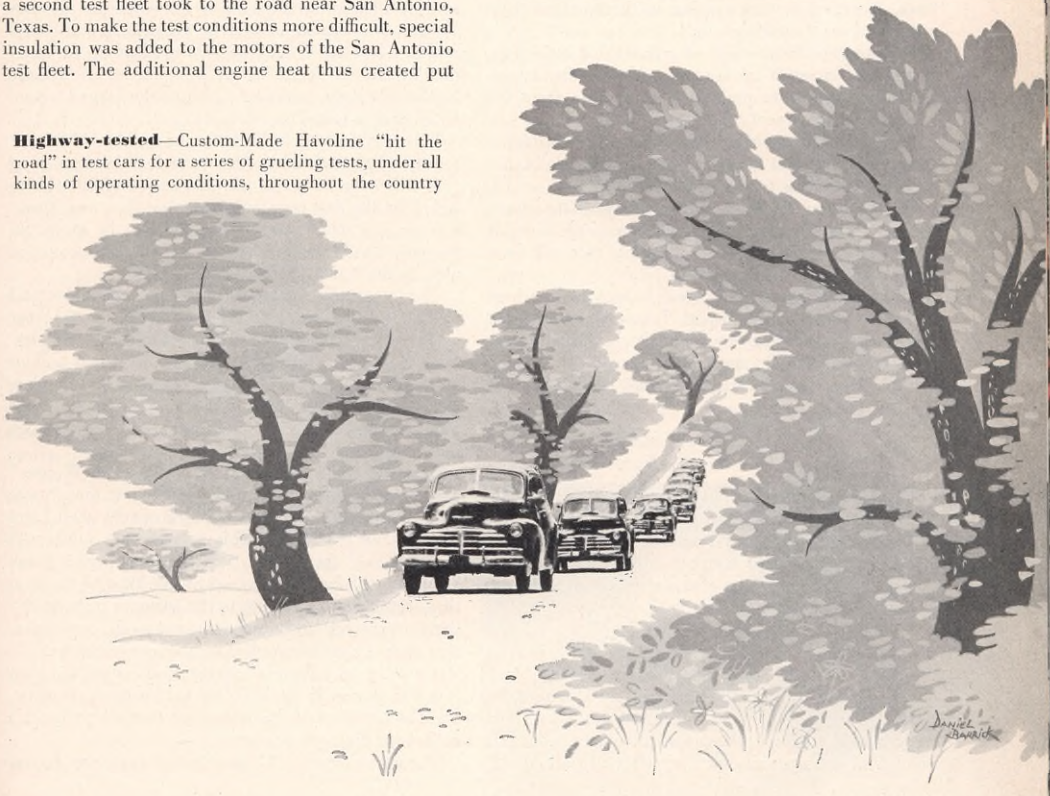
Later, an independent research organization was called in and told to give Custom-Made Havoline the works in a series of high-speed, hot-weather tests. Then, a second test fleet took to the road near San Antonio, Texas. To make the test conditions more difficult, special insulation was added to the motors of the San Antonio test fleet. The additional engine heat thus created put a special burden on the new oil. The fleet was driven 20,000 miles at an average speed of about 60 miles an hour.

Motors from the special fleets tests were shipped to the Beacon Laboratories where they were torn down for inspection. Instruments delicate enough to measure the length and breadth of a gnat's eyelash were brought into action. The engine parts were tested for varnish, piston gap expansion, sludge, wear—all the ill effects of motor oil failure.

Custom-Made Havoline came through the critical "lab" tests with volumes of performance data that provided the foundation for the proud claim of Texaco's Domestic Sales Department that it's "the finest motor oil money can buy." It outstripped the performance of all competitive motor oils it came up against during the long test period.

The Company wanted to be sure of one other factor—the heavy-duty performance of Custom-Made Havoline. So, the oil was put to work in inter-city bus lines and in bakery and dairy fleets. Again Custom-Made Havoline Motor Oil demonstrated its superior qualities.

This newest in a long and famous line of motoring products is a worthy emblem bearer for a Texaco trade mark in one of the country's most competitive markets.




**Highway-tested**—Custom-Made Havoline "hit the road" in test cars for a series of grueling tests, under all kinds of operating conditions, throughout the country

# When Texaco Pays a Dividend

*By MEEKER H. SMITH*

*Assistant Treasurer*

Behind the scenes there's a hidden army of people sharing the benefits of The Texas Company's earnings

BEHIND the facts and figures of a Texaco dividend stands a small army of hidden beneficiaries. Formal reports overlook these individuals, who share in varying degrees the benefits of Texaco dividends, and the critics of corporate enterprise appear to ignore them. Nonetheless, they number in the hundred thousands and merit looking into.

For example, the students of a farsighted university, which has invested in Texaco stock, receive educational benefits made possible with income from the university's investments.

Similarly, patients in a charity hospital receive treatment and care from funds made up in part by Texaco dividend payments to the hospital.

On the other hand, the dividends paid to shareholders of an investment company are made possible by dividends the investment company received from Texaco and other companies.

And in still another instance, a broker, in whose name a number of shares of Texaco stock may be registered, actually may be administering the stock for the account of one or more clients.

The Texas Company classifies its stockholders in five categories:

1. Brokers and Nominees
2. Men and Women
3. Corporations
4. Banks
5. Fiduciaries and Estates

The total of registered stockholder accounts in all categories is at present in excess of 105,000. Actually, this is only the beginning of the story of who benefits when Texaco pays a dividend.

Take the "Brokers and Nominees." The combined total of broker and nominee accounts is somewhat less than 800, but in the aggregate they are holding stock for more than 10,000 individual accounts. Before the Annual Meeting of The Texas Company, the Company furnishes the brokers and nominees with this number of extra proxies for their clients to use in voting. Each client receives his pro rata share of the Texaco dividends paid to his broker or nominee.

Individual, personal ownership of Texaco stock is represented by the "Men and Women" group—a cotton farmer in the South, a steel worker in Pittsburgh, an auto mechanic in Detroit, a schoolteacher in Des Moines, a housewife in Denver, a movie star in Hollywood . . . the list is long and varied. Persons throughout the nation, and in 56 foreign countries as well, are in this category, which constitutes the largest group of Texaco shareholder accounts.

It is only in recent years that the number of women registered as stockholders has exceeded the number of men who own Texaco stock. At the end of 1942 there were, for the first time, more women than men stockholders—11 more women than men, to be exact. By the end of 1949, women Texaco stockholders exceeded men by more than 5,000.

The latest tally shows that women stockholders total 47,250 and that they hold 3,884,821 shares—28.17 per cent of shares outstanding. There are 41,817 men stockholders holding 3,939,309 shares—28.56 per cent of outstanding Texaco stock. Men and women stockholders as a group total 89,067 and hold 7,824,130 shares, or 56.73 per cent of the 13,791,757 shares of Texaco stock outstanding.

Some of the accounts in the "Men and Women" group are registered in joint tenancy. At the present time, there are about 6,255 joint accounts, with holdings of 272,794 shares. This represents a substantial increase over the figure of several years ago. There has been a definite trend toward this type of registration, due in large measure to the issuance of bonds by the Government in this manner and to the realization that such a registration has certain conveniences.

The "Men and Women" group is, of course, the most familiar group of stockholders to the general public, and the members of this group are direct beneficiaries of Texaco dividend payments.

The next category, "Corporations," embraces a great


multitude of people who benefit from Texaco dividends but who don't show up when corporation critics count noses.

In this category, The Texas Company lists five major classifications, which represent the extent of the "breakdown" that has been attempted: insurance companies; institutions of learning; eleemosynary institutions; miscellaneous organizations; investment companies.

Obviously, the fact that 183 *insurance companies*, holding 354,983 shares, are registered stockholders of The Texas Company is an indication that Texaco stock is considered a sound investment in the opinion of the financial officers of these companies.

Names of many first-line insurance companies are registered as Texaco stockholders. The present list represents an increase of 17 per cent in the number of insurance companies registered on the Company's books, and an approximate increase of 72 per cent in the number of shares held, in the past four years.

It was possible to ascertain the number of stockholders in only 75 of these 183 insurance companies. The stockholders of these 75 companies, however, totaled 213,884. It is impossible, of course, to determine how many stockholders there are in the mutual companies, where every policyholder is a stockholder.

There are 198 *institutions of learning*, holding 133,883 shares of Texaco stock, registered on The Texas Company's books. The list includes practically all of the leading universities and colleges in the country. The number of shares held by this group has increased by more than 35,000 in the past four years.

Non-profit institutions (or *eleemosynary institutions*) on the Company's books number 580, and they collectively hold 103,016 shares. Of these institutions, 93 are hospitals, which hold 26,137 shares. As is true with institutions of learning, it is impossible to estimate the number of people who benefit from Texaco dividends going to eleemosynary institutions. In both instances, the indirect beneficiaries must number many thousands.

There are among Texaco's registered stockholders 123 *miscellaneous organizations* (other than business corporations) which hold 14,076 shares. Of these, 28 are YMCA's and YWCA's. These holdings further illustrate the spread of the benefits from Texaco dividends.

There are 100 *investment companies* of all types registered on our books. These companies hold 153,558 shares. It is difficult to determine the total number of stockholders of these investment companies; however, based on information available to the public, six of them showed an impressive total of more than 146,000 shareholders. The other 94 investment companies no doubt have, collectively, many thousands of shareholders.

These and similar examples could be projected much further to demonstrate the true impact of a Texaco dividend.

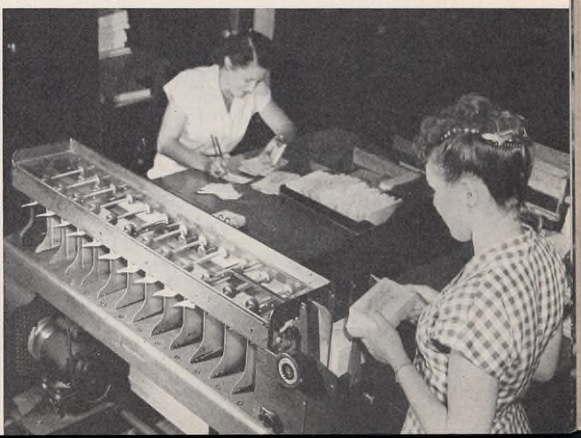
They stand as an impressive argument against those who would have one believe that the benefits of dividends on stock are not widespread.

In the case of The Texas Company we start with an initial figure of more than 105,000 registered stockholder accounts which receive Texaco dividends. To this figure can be added the 10,000 individual accounts of brokers and nominees, the more than 146,000 known shareholders of investment companies, and the more than 213,000 known stockholders of insurance companies. Thus, the more one gets behind the scenes the more one discovers that the figure of 105,000 registered stockholder accounts actually fans out into a spread of benefits which, estimated conservatively, affects at least half a million people.

The persons who benefit indirectly through educational, recreational, and hospital facilities made possible in part by Texaco dividends would add thousands more to the beneficiaries listed above. And, if we could look behind the scenes of those individuals who own large numbers of shares of Texaco stock, we undoubtedly would find that benefits from dividends on the Texaco stock these people hold extend, indirectly, to many individuals and organizations.

Behind the scenes, when Texaco pays a dividend, there is indeed a hidden army of people sharing the benefits of The Texas Company's earnings.

**DIVIDEND CHECKS** that have been cashed are being mechanically sorted in Texaco's Treasury Department



## *Texaco Builds New Lubricant Tester*

A NEW machine for testing railroad car journal-box bearing lubricants has been developed at the Beacon (New York) Laboratories of The Texas Company. Weighing seven tons, the new tester simulates actual operating conditions for railway car bearings and will handle loads up to 50,000 pounds. The tester permits studies of bearing lubrication under shock loading conditions which were previously impossible in the laboratory and is designed to handle both plain and roller bearings. It is anticipated that studies on this machine will point the way to new operating economies, comfort, and speed.

This is the biggest and most versatile bearing test machine Texaco has ever built. The apparatus simulates car speeds up to more than 100 miles an hour. It duplicates the steady car loads and shock loads, both vertical and thrust, encountered in actual railroad operations.

The apparatus will accommodate bearings of all manufacturers and is constructed in conformance with American Association of Railroads standards of axle design. It is possible to apply a combined vertical load of 50,000 pounds and an axial load of 15,000 pounds on each of two test journal bearings, one located on each end of the machine. All loading is accomplished hydraulically, and each of the two test bearings can be loaded independently.

Instruments measure bearing friction, load, temperatures, and speed. To minimize vibration and noise, the machine is built on concrete piers sunk six feet into the ground.

## *The Public Is the Winner*

THE winner and still champ. . . .

That's the customer. In the intense competition for the consumer's dollar, which is carried on daily in this country, the customer always wins. His winnings take the form of better products, improved services, greater convenience—and fair prices.

People stick by the products they can rely on. They find a brand that fits their personal likes and their purse—and they buy it. Poor products, which are badly made and overpriced, sooner or later fall by the wayside.

Competition is the spur to progress which sees manufacturers of outstanding brands constantly improving their products. Texaco products such as Marfak Chassis Lubricant, Sky Chief and Fire-Chief Gasolines, and Custom-Made Havoline Motor Oil—which motorists have learned to depend on—are good cases in point. Each represents the efforts of Texaco's research and refining experts to turn out the best possible product.

The public is the winner.

## *Texaco Motor Oil Good After 26-Year Saga*

NOT long ago Texaco scientists at Beacon Laboratories were diverted from their concern with the present and the future. The arrival of a 26-year-old can of Texaco Motor Oil momentarily shifted their interest to the past.

The motor oil was the gift of a resident of Poughkeepsie, New York, who bought his first car in 1923 and immediately became a Texaco customer. He bought his Texaco Motor Oil in bulk, but decided to seal up some oil in a can and carry it for emergencies.

Through many years and many transfers of the can of oil from car to car, this motorist never met the feared emergency. So, he finally sent the oil to Beacon for experimental purposes.

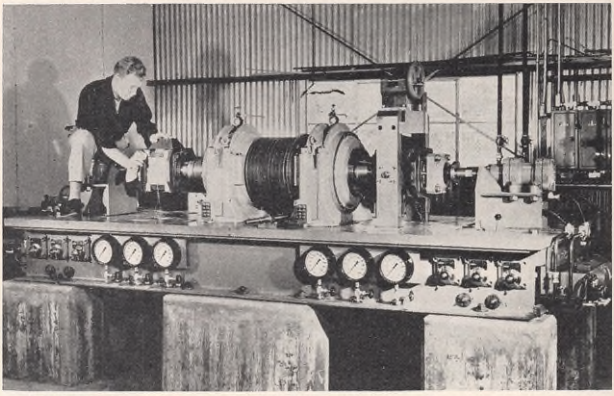
The oil can't compare with Texaco's new Custom-Made Havoline Motor Oil (see Page 20); however, it still meets all the work specifications of its day.

## *Railroads Revealed as Major Oil Consumers*

INCREASED use of Diesel locomotives is making railroads one of the oil industry's best customers, according to a recent issue of *Railway Age*. Railroads have traditionally been one of the nation's best all-around consumers.

Although coal remains the biggest raw material purchase item of the railroads, *Railway Age* points out that petroleum purchases now exceed the outlay for forest products, heretofore a principal railway purchase item.

The Texas Company is a leader in the railroad lubrication field. Practically all the larger roads use one or more Texaco products.



**STUDIES** on railroad bearing lubricant tester at Beacon are expected to lead to new railway operating economies, comfort, and speed

**PRODUCTS LINE**—Texaco gasoline, kerosine, and Diesel fuel enter Hearne Station in pipe at right. A Sales Department terminal adjoins station

PRINTED BY THE CONDÉ NAST PRESS, GREENWICH, CONN., U. S. A.

MANIFOLD—Hearne Station

# ah-h-h... Spring!

## ...and time to see your Texaco Dealer for a Spring check-up

Lively as a circus performer, with new power and pep and "cushiony" riding ease—that's how your car will feel when your Texaco Dealer gives it a complete Spring check-up. He'll check spark plugs . . . drain and flush radiator . . . put Custom-Made Havoline Motor Oil in the crankcase. You'll enjoy that "cushiony" ride after Marfak lubrication . . . and thrill to the extra power that's yours with Sky Chief, the premium gasoline with *volatane control* . . . or Fire-Chief, the economy gasoline that sells at *regular* gasoline prices. For new driving pleasure, get a thorough Spring check-up from your Texaco Dealer, *the best friend your car ever had.*

## THE TEXAS COMPANY

TEXACO DEALERS IN ALL 48 STATES

Texaco Products are also distributed in Canada and in Latin America

TEXACO REG. T.M.

**TUNE IN . . .** TEXACO STAR THEATER starring MILTON BERLE on television every Tuesday night. See newspaper for time and station.