

THE

TEXACO STAR

FALL 1950



PORTABLE DERRICK





Fenced-in "Christmas tree" marks location of P. L. Fuller No. 1, The Texas Company's first productive well in Scurry County, Texas. This well was "brought in" December 31, 1949

WELCOME SIGNS—During the current critical period in world affairs, it is heartening to note that the American oil industry has scaled new heights in strength and efficiency with which to meet the demands of a national emergency. Proved reserves of crude oil are at their highest point in history: 24.6 billion barrels, as compared to 19 billion in 1940. Crude oil output from wells in the United States is also running at high levels. For example, during one week in September, 1950, crude output averaged 5,909,000 barrels daily, 2,253,000 above the 1940 figure. New highs in operable refining capacity, reported by an American Petroleum Institute survey, are likewise encouraging. Now 6,716,000 barrels daily, the average capacity of refineries was about 4,719,000 barrels 10 years ago. To achieve these and other peaks of achievement marking the largest expansion and modernization program in its history, the petroleum industry has spent \$8,000,000,000 in the past three years.

DID YOU KNOW

- that mass production, developed by ingenuity and spurred by competition, has helped make America's industrial greatness and high standard of living?
- that the United States produces 54 per cent of the world's oil, 65 per cent of the world's steel, and 48 per cent of all electric power?
- that motor vehicles today clock, on the average, approximately 9,800 miles each year?
- that almost half of the 1,500,000 pounds of iodine used in America every year comes from the brine of oil wells?
- that only one teaspoonful of fuel oil is required to haul one ton of freight one mile by a Diesel electric locomotive?

THE COVER

★AGAINST backdrop of Texas sky, workman lubricates crown block before oil derrick is raised to drill a well in Scurry County. "Star Close-Ups," beginning on Page 7, show more of Texaco's Scurry operations

Like most projects on the oil fields of America, erection of derrick requires a combination of engineering skill, timing

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Fall, 1950

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A PUBLICATION OF THE TEXAS COMPANY

For Stockholders and Employees

W. S. S. RODGERS, Chairman of the Board of Directors; HARRY T. KLEIN, President; J. S. LEACH, Executive Vice President; R. F. BAKER, G. R. BRYANT, M. HALPERN, B. E. HULL, L. H. LINDEMANN, A. C. LONG, R. OGABRIO, R. L. SAUNDERS, TORREY H. WEBB, and J. T. WOOD, Jr., Vice Presidents; OSCAR JOHN DORWIN, General Counsel; W. G. ELICKER, Secretary; ROBERT FISHER, Treasurer; ERNEST C. BREESING, 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.

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TEXACO'S PART IN SCURRY COUNTY DEVELOPMENT

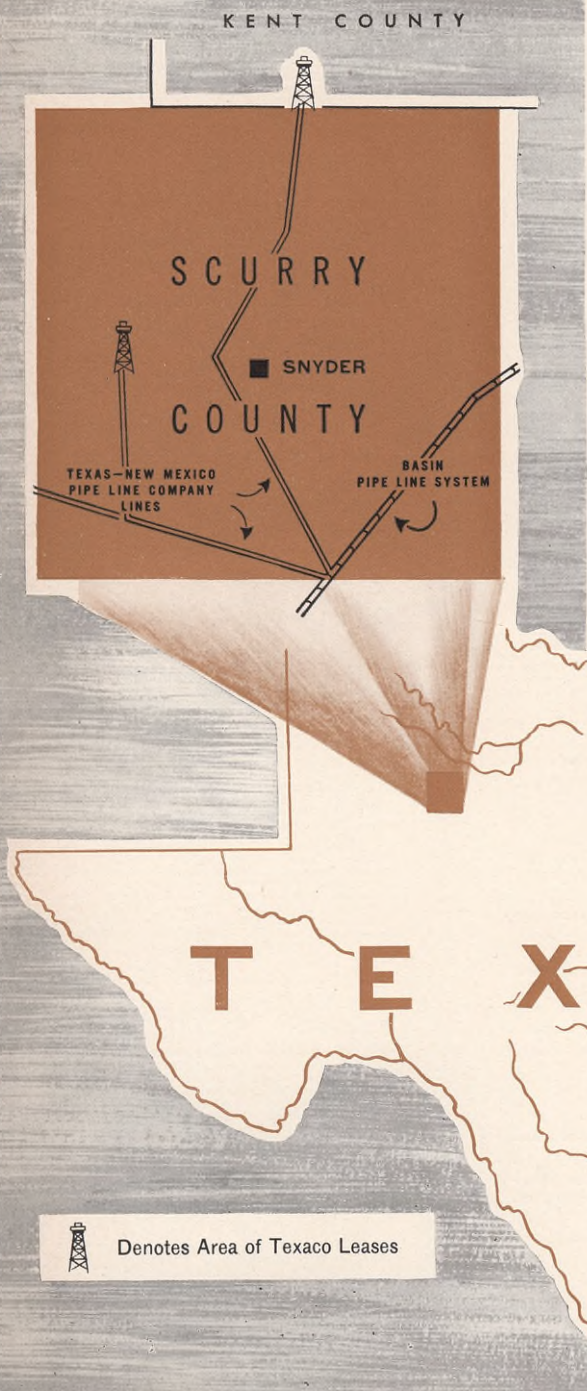
ABOUT two years ago, The Texas Company leased approximately 50,000 acres of land in Scurry County, Texas, where prospects seemed good for unusually plentiful oil production.

Much of this land was on the northern trend of an ancient reef of coral limestone formed in a sea which covered the region during the Canyon epoch of the Pennsylvanian geological period. This reef, now deeply buried beneath other rocks, stretches diagonally across the county and showed indications of extending into Kent County on the north.

On December 31, 1949, The Texas Company completed its first well on one of its Scurry County leases, justifying its estimate of the northward trend of the reef.

Results in succeeding weeks were so satisfactory that Chairman W. S. S. Rodgers could report to Texaco stockholders in April that the Scurry County holdings might be expected to increase the Company's reserves tremendously this year, equaling or bettering the reserves of any other producer in this coral reef trend.

Plans were laid to drill about 100 wells on these leased lands in 1950, and to date this development has proceeded on schedule with results bearing out expectations.



"Where Oil Flows ..."



ALL IN A DAY'S WORK are on-the-job meetings of Texaco Foremen and contractor's workmen. A roadside gathering like this coordinates current efforts

Scurry County development is significant factor in building of America's petroleum reserves for time of national emergency

STAND some evening on a hill near the outskirts of Snyder, Texas, and you may be able to count in the darkness around you the shimmering lights of 100 drilling rigs. As many more may be beyond the range of your eyes. Your ears may hear the rumble of rotary turntables from a rig or two nearby as drill pipe sinks slowly into the earth of a cattle ranch or a cotton field.

What is going on here is what was once termed an "oil boom." That term was never in good repute, romantic and spectacular as the incidents connected with it may seem in retrospect. An old-time boom had all the haste, waste, and lawlessness of a "gold rush." Modern times, modern methods, and better organizations by determined, responsible people have banished the phrase "oil boom" to the same category as "gusher," an out-of-control oil well which in the progressive petroleum industry is now a rare and regrettable accident.

But boom or no boom, today's happenings in Scurry County, of which Snyder is the geographical center

and county seat, are the most significant in the development of new petroleum reserves in the United States in two decades.

In September, 1930, the East Texas field came in and helped sponsor an era called by Harold Ickes "the golden age of gasoline." Those were the last of the real oil boom days, according to oil field old-timers. East Texas, with an estimated ultimate recovery of five billion barrels of oil, surpassed the great South Texas fields opened up early in the century. Both are still producing mightily, but in the estimation of *The Oil and Gas Journal*, "the Scurry Canyon Reef field is . . . probably the second largest in the United States, second only to East Texas." Most conservative estimates seem to agree that beneath the arid mesquite-and-cactus-covered lands of Scurry County are at least one billion barrels of oil.

Less than two years ago, this neighborhood's slogan was "Where the Farmers Ranch and the Ranchers Farm." Today it's "Scurry County, Where the Oil Flows and the Cotton Grows." It is 2,300 feet above sea level, gently rolling country for the most part, and it's bearing up just as admirably under prosperity as it did under dust, drought, and depression in the 1930's.

(Please turn to the following page)



MUD in ravine (right) resulted from a heavy rain. Oil from Cogdell Station will some day span ravine via suspended pipe



WHEREVER they can rent space, oil workers set up housekeeping in trailers

SIGNS like these reflect the influence of oil on the Snyder community



Already the development in Scurry County, accomplished in orderly fashion, has made more progress than for the same period in the hurly-burly days of East Texas. Interest in the area began about two years ago, after some desultory wildcatting in 1946 and 1947 which showed just enough promise to make oil men want to look a little farther.

Excitement was definitely budding when The Texas Company secured mineral leases on the ranch lands of two brothers, M. A. Fuller of Fort Worth and P. L. Fuller of Snyder, much of which seemed to be in line with the probable extension of the oil field. Other Texaco leaseholdings, amounting to a total of two sections in what is now the Diamond "M" pool, were acquired several years prior to the Scurry County development. A considerable part of this acreage has proven productive. The first well drilled on the P. L. Fuller lease extended the field three-quarters of a mile farther northward, and later completions pushed the field's productive area across the line of Kent County north of Scurry.

Wells already completed in Scurry County by all companies number in the hundreds. The southwestern and northeastern limits of the field have not yet been defined; at this writing the crescent-shaped field, about 35 miles long and six miles in width at some points, is still growing. Geologists may soon know whether several small fields north of Scurry County are a part of the same oil-bearing formation. As the "Canyon reef" has gradually been defined by drilling, a number of pools at first thought to be individual oil fields have been absorbed into one large field.

WITH THE AID of a snubbed rope pulled by engine, workmen screw tubing section into place



Recent development has added some 20 square miles on the southern and southwestern flanks of the Pennsylvanian canyon reef in Southwest Scurry County and Southeast Borden County, which adjoins Scurry County on the West.

It is now estimated that the productive region through Scurry and Borden Counties will ultimately embrace 120 square miles of productive territory containing more than 1,900 wells.

The top of the Canyon reef in Scurry County is found at depths ranging from about 6,100 feet down to 6,900 feet, depending on the location. The reef "pay" is usually from 100 to 400 feet thick, but thickness as great as 600 feet has been reported in the area. These figures are very gratifying to oil men, and account for the high estimated reserves of the Scurry County field.

This oil-bearing structure was laid down in prehistoric times when, according to geological studies, an ancient sea covered much of what is now the south-

the trigger that started a chain reaction. Lease men and geophysicists flocked into town, took the available space in hotels and auto courts, and set up housekeeping in trailers. New auto courts were built, new restaurants went up to house and feed the newcomers. Real estate lawyers, lease men, and landowners flocked to the county courthouse in Snyder to get legal papers recorded.

Oil field supply and servicing companies began building branch offices in town. Free-lance welders and casing crews set up shop in converted buildings and trailers. Steel companies, lumber companies, and road contractors erected sheds and fenced in their yards. In two years the city that oil built increased from about 4,800 people to a population verging on 20,000.

The city government of Snyder was determined that the onrushing hordes should not stampede the municipality out of sensible development. Snyder was, after all, a solid sort of a place with solid citizens living in



TRAFFIC rolling through Snyder courthouse square has grown since Scurry County oil boom began. Crowded conditions forced cutting of shade trees to make room for car parking

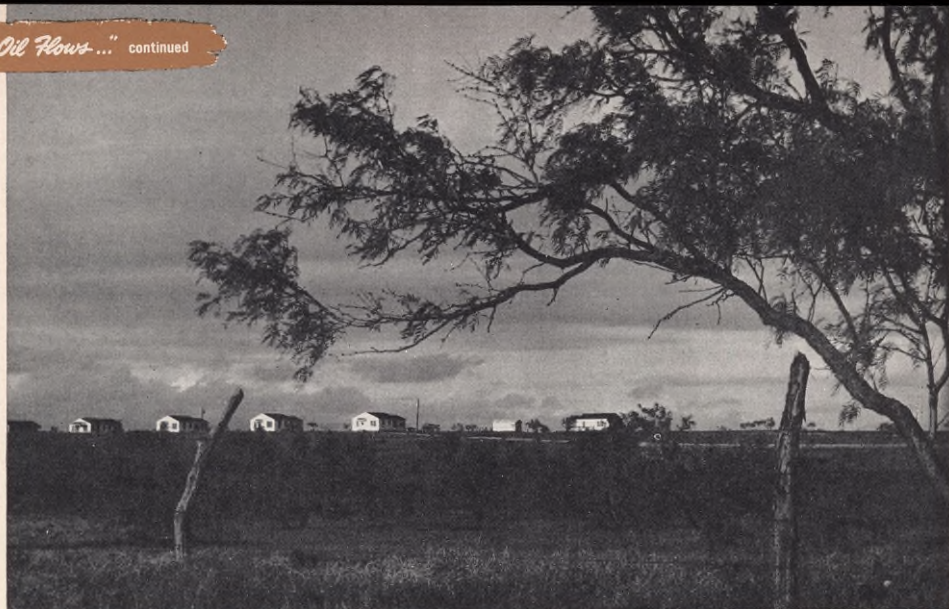
ern half of the United States. Where Scurry County was to be, a coral reef jutted up into this sea. The reef was formed of the lime skeletons of corals and other marine invertebrates, and the soft bodies of these organisms, as they died and were buried in the upward growing reef, provided the organic matter that most oil men believe was the source of petroleum. This became a gray mass of limestone rock of spongy texture, containing oil in the spaces filled millions of years ago by the living bodies of the corals.

The first well that "hit the reef" near Snyder was

pleasant, comfortable homes built from the proceeds of raising and selling cattle or growing and ginning cotton, and it wanted to stay that way.

A doubled police force took matters in hand and cracked down on anything that looked like sin. Perhaps Snyder was a little surprised at the lack of trouble it did have in keeping the peace. Anyway, this West Texas town, which might have been a rootin'-tootin', wide open place in earlier gold rush or oil boom days, is almost as calm as a New England village.

And out on the oil leases where wells have been com-



CAMP on Fuller property, here shown under construction, will serve as headquarters for operations of The Texas Company in the productive "Canyon reef" area

pleted, cattle graze contentedly around neatly fenced-off tank batteries and "Christmas trees."

Wells are drilled only one to every 40 acres and not eight to a town lot, as sometimes happened in the past. They are allowed to flow only a limited number of days each month, and then at a rate which uses up the smallest possible quantity of natural gas. The gas forces the oil to the surface and into tank batteries. Each battery of six tanks receives the oil through flow lines from eight wells on a half-section, or 320 acres of land. Each tank battery has a separator alongside it, which removes the gas from the oil that goes into the tanks.

Some of the wells that have been completed as producers from the reef were drilled through a shallower oil-bearing zone. In these wells, the shallow zone was cemented off to preserve it for future development; thus it seems that this nation will be served by Scurry County oil for many years in the future.

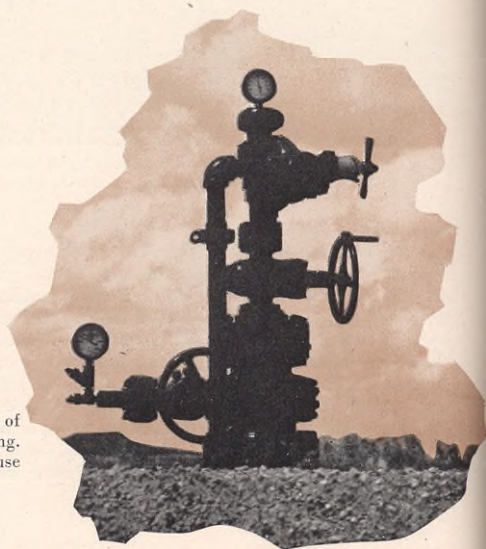
Once wells are producing and oil is flowing into tank batteries, the problem of the oil man is to get it to market. Until pipe line facilities are available, tank trucks haul crude out of the field to a refinery or to a pipe line receiving point. As soon as a new field shows promise of supplying crude in paying quantities for handling by pipe line, pipe line companies make plans to extend their form of transportation into the field. The Texas-New Mexico Pipe Line Company, an affiliate of The Texas Company, has run 10-inch and eight-inch lines

into The Texas Company's leases, and delivers oil into the Basin Pipe Line System, which is operated by and partly owned by The Texas Pipe Line Company, a wholly-owned Texaco subsidiary.

The eyes of the entire country have been turning to Scurry County in the past year and viewing with great satisfaction this discovery which has added so materially to the petroleum reserves of the United States. It will also be to the satisfaction of Texaco stockholders that the Company holds a large share of these new reserves.

★★★

CHRISTMAS TREE, which controls yield of oil, is all that remains after well drilling. Rest of land is returned to its previous use





DEEP IN THE HEART

west

OF TEXAS

QUESTION of locating next well is reviewed by Assistant Division Manager and field men in a hotel room



AFTER hearing news covering drilling progress, Production Foreman (*left*) decides what's to be done next

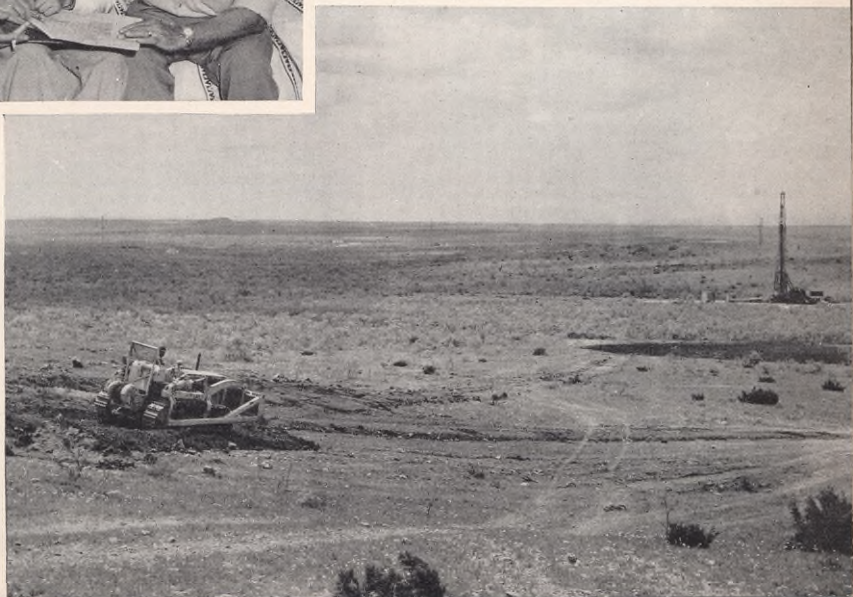
DESCRIBED by newspapers as containing "more booty than the Spanish Main," the Scurry County field represents a new and fabulous phase in the story of Texas petroleum. Pictures on this and the following three pages show much of the activity attendant to the drilling of a Scurry County well.

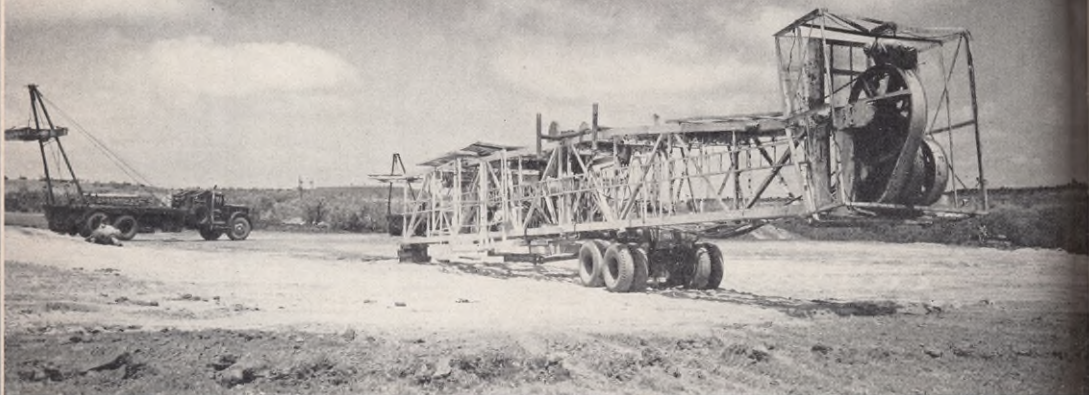
In "drilling up" leases such as those of The Texas Company, it is obvious that a great many varied operations, involving considerable manpower and much specialized and expensive equipment, must be dovetailed and carried out by teamwork.

These operations The Texas Company does not pretend to do with its own facilities, for it is far more sensible and economical to let out road-building, drilling, well-logging, and cementing contracts to those who make a specialty of that sort of work. Once a field settles down to steady production, The Texas Company's personnel takes

(Please turn to the following page)

TRACTOR is used to build roadway leading to site of proposed well (*dark area, middle right*)





DERRICK'S crown block and top section of drilling rig lie ready to be bolted in place and raised into position over well site



DEEP IN THE HEART

west
OF TEXAS . . . continued



OPERATING water pump (*left*) and unsuccessful drilling rig (*right*) form background as workers debate new place to try for water

care of routine oil producing operations.

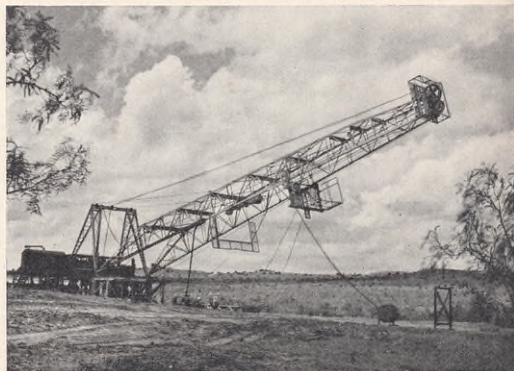
In the Scurry County operations, Company Engineers and Geologists work under the direction of the Producing Department's West Texas-New Mexico Division Office in Fort Worth, Texas. Side by side with them, but working in different spheres, are the Drilling and Production Foremen and their staffs.

These men have many problems, not the least
(Please turn to Page 10)



WITH microscope on car fender, Texaco Geologist examines core sample of rock brought up from bottom of drilling well for indications of oil

JACKKNIFE drilling rig is gradually pulled up into position by power from engine that will later drill oil well





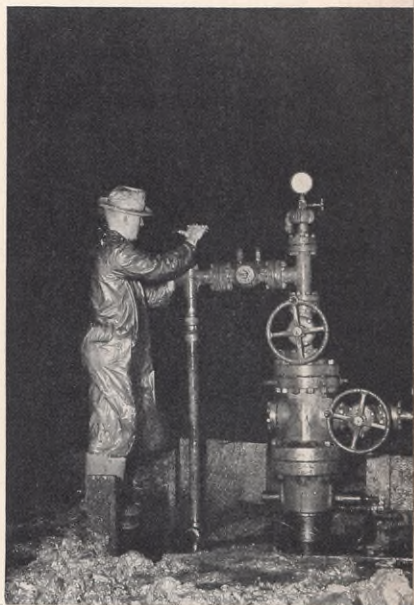
AFTER all-night vigil while making drill stem test, Drilling Foreman John Hazle catches brief rest



DRILL STEM test, calculated to judge oil producing zone, employs special tool attached to the drill pipe



ARMED with a supply of core sample bags, two Texaco Foremen prepare for return to duty on Fuller lease property



ENGINEER Frank Kirchman adjusts choke on new well to control output in conformity with "allowable" set by the Texas Railroad Commission

TEMPORARY field office in Snyder motor court serves as workroom for Texaco staff pending completion of Company camp on Fuller lease



DEEP IN THE HEART

west
OF TEXAS . . . continued

PIPE LINE welding crew brings together two sections of eight-inch artery which will eventually connect the Scurry County oil region with the Basin Pipe Line System

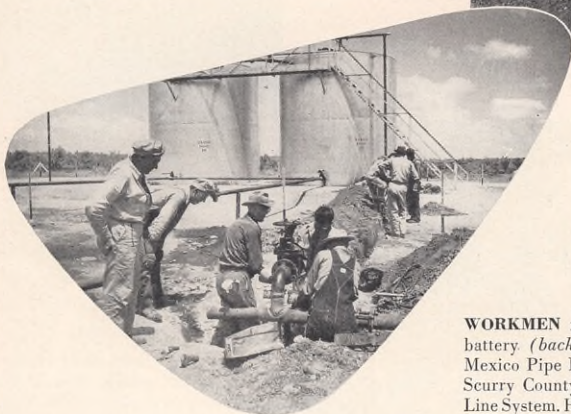
of which is weather. A wet spell might come while a man has his back turned, bring down several inches of rain in an hour or so, and leave truck-loads of equipment bogged in deep mud.

The Texas Company's roads on the Fuller lease are graded and topped with caliche, a lime rock dug nearby that hardens on exposure to weather. It also makes good footings for tank batteries.

Thanks to sane conservation methods, the Canyon reef oil field will not be exhausted rapidly. The land is not harmed for agricultural purposes, and has, in fact, been improved by roads built by oil companies. These roads serve the farmer or rancher, as well as the pumper or "switcher" who visits well locations and tank batteries for gauge-outs, to switch tanks, and to keep the wells flowing properly. ★★★

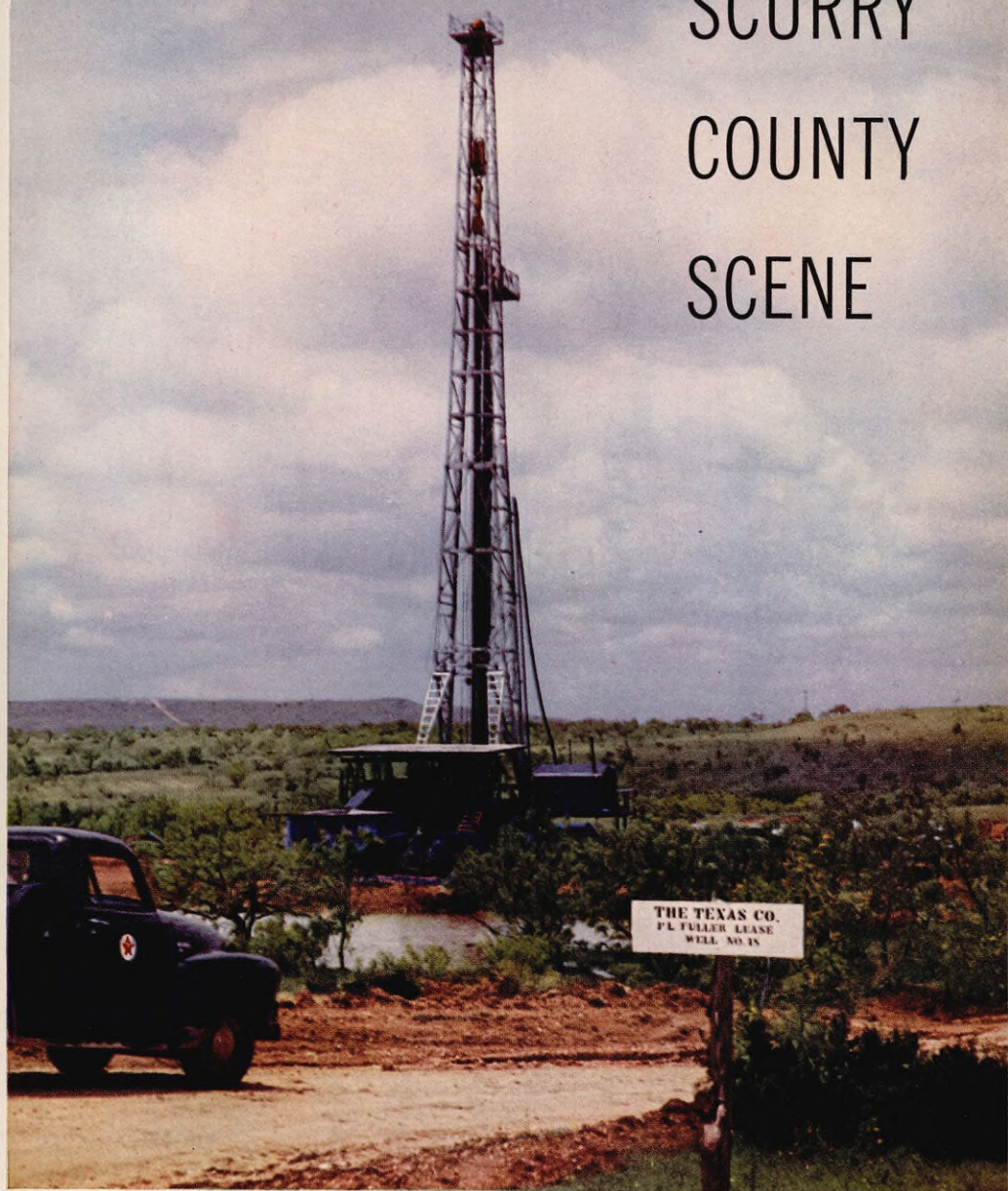


STEAMING HOT "dope" and pipe wrapping containing glass fiber are here applied mechanically. Covering seals the pipe line against corrosion

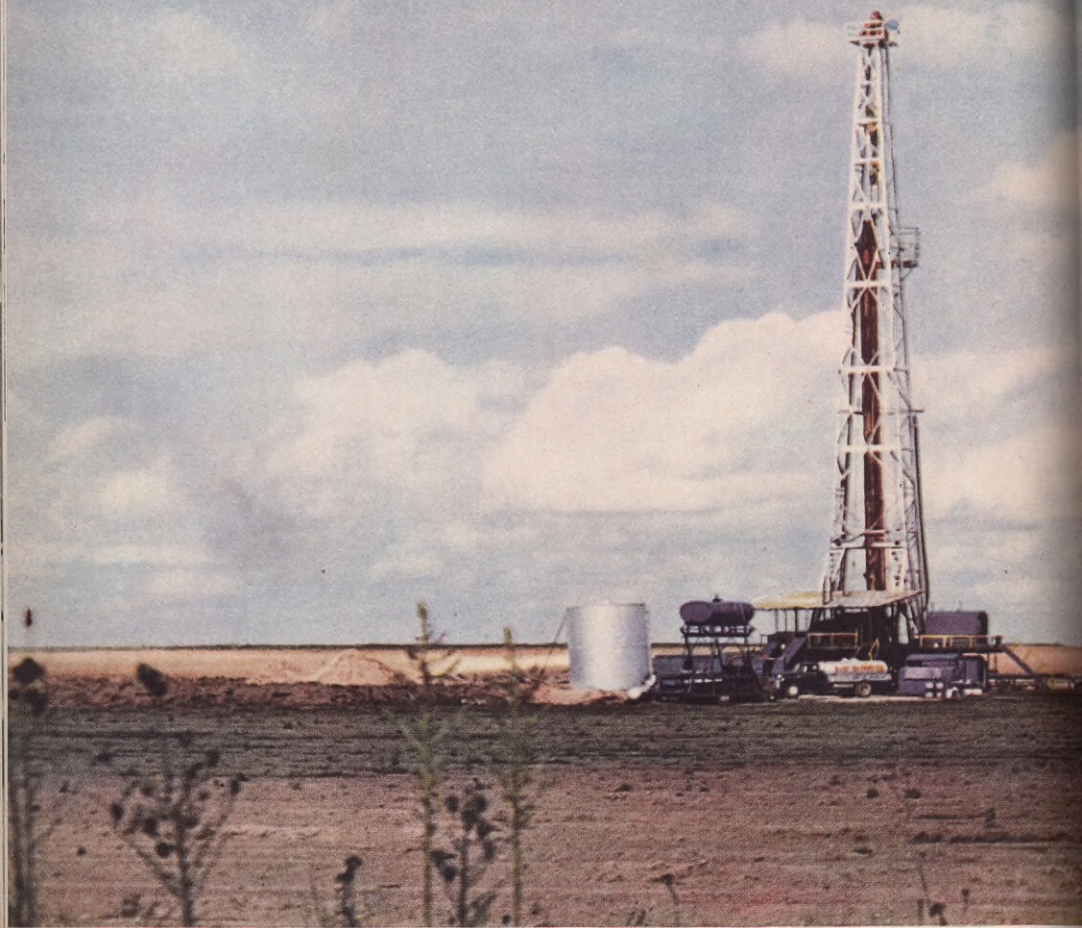


WORKMEN make "tie-in" of Texaco tank battery (background) with the Texas-New Mexico Pipe Line system that will transport Scurry County petroleum to the Basin Pipe Line System. Handling of oil is thus facilitated

SCURRY COUNTY SCENE



TYPICAL drilling well on Texaco's Fuller lease in Scurry County. The ground is rough, rolling, covered with mesquite. The service truck is one used by Texaco field men who coordinate operations



PANORAMIC view of wells on the Diamond "M" property shows this to be

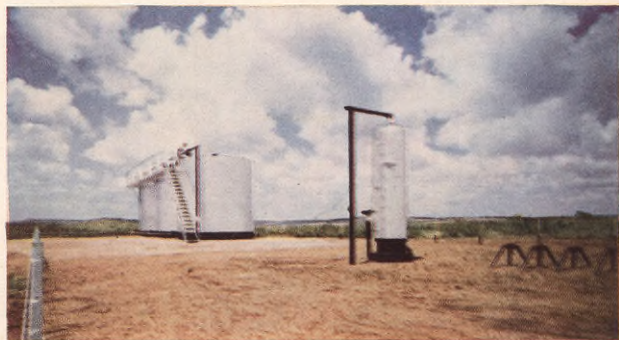


TANK BATTERIES are often on hills. Thus natural gas can push oil from well up into them. When gas and oil are separated, oil can flow into pipe line by gravity



more prairie-like than the Fuller lease. Planned well spacing aids oil conservation

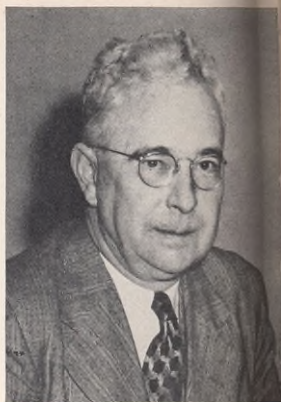
CLOSE-UP shows a tank battery, fenced to keep out cattle, and with surface of caliche for footings. Separator which removes gas from oil is seen in the foreground





J. S. LEACH, Executive Vice President and a Director, was Vice President at Houston

Texaco Executives Given New Posts



R. F. BAKER, Vice President, Domestic Producing Department, has been elected Director

FOLLOWING a meeting of The Texas Company's Board of Directors on August 4, 1950, W. S. S. Rodgers, Board Chairman, and Col. Harry T. Klein, President, announced the following organization changes:

J. S. Leach, formerly Vice President at Houston, has been elected Executive Vice President with headquarters in New York. He will continue as a Director.

Vice Presidents R. F. Baker and A. C. Long (see THE TEXACO STAR, Fall, 1949), in charge, respectively, of Domestic Producing and Foreign Operations (Eastern Hemisphere), have been elected Directors of the Company.

J. T. Wood, Jr., formerly Assistant to the President, has been elected Vice President in charge of Foreign Operations (Western Hemisphere). In his new post, Mr. Wood succeeds C. E. Olmsted, who resigned August 4 as a Director and Vice President of the Company and retired October 1.

G. R. Bryant, who was General Manager of the Refining Department, has been elected Vice President with headquarters in Houston, succeeding Mr. Leach.

In addition, other organization changes have been announced by the Company.

J. H. Pipkin, formerly Assistant to the Chairman of the Board of Directors, has been named General Manager of Industrial and Public Relations. He succeeds James Tanham, Vice President, who retired on August 31.

J. S. Worden has been made General Manager of the Refining Department, moving up to this post from his former position as Manager (Operations).

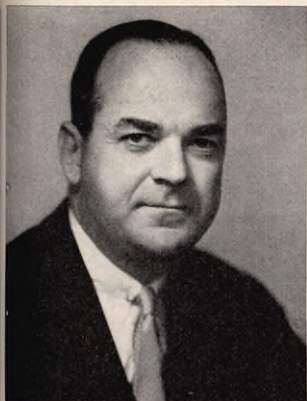
J. W. Foley, formerly Assistant to the Vice President, Domestic Producing, has replaced Mr. Pipkin as Assistant to the Chairman of the Board of Directors.

J. Sayles Leach, a native Texan, has been a Vice President of The Texas Company since August, 1933, and a Director of the Company since April, 1949. A graduate of Baylor University in 1915, he entered the

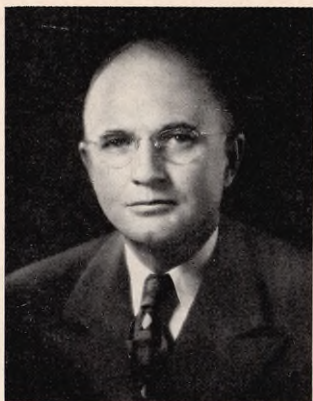
employ of The Texas Company in September, 1916, as a Bookkeeper in the Dallas District Office of the Domestic Sales Department. By 1925, he had advanced to the post of Superintendent (Sales) of the Dallas District, and in 1927 became Assistant Manager (Sales) for the Sales Department's Southern Territory. In 1929, he was appointed Manager of the Southern Territory, which position he held until his election as a Vice President.

James T. Wood, Jr., was born in Montana. He is a graduate of Stanford University, where he majored in geology and mining. Before his graduation in 1913, he entered the Army. He was discharged in December, 1913, with the rank of second lieutenant, Field Artillery. Mr. Wood was employed as a geologist and engineer in the oil industry in California for 10 years before he joined The Texas Company. His first assignment with Texaco came in March, 1929, when he became District Geologist in the San Joaquin Valley, California. In 1930, he was made Assistant Chief Geologist with headquarters at Los Angeles. He held that post until July, 1931, when he became Chief of the Lands and Leases Division. In April, 1933, Mr. Wood was appointed Assistant Manager and, in July of the same year, Division Manager of the Pacific Coast Division of the Domestic Producing Department. He was made Assistant to the President, with headquarters in New York, in August, 1949.

George R. Bryant, a native of Kentucky, majored in geology and civil engineering at the University of Missouri. In August, 1917, he enlisted in the Army and was commissioned a second lieutenant in December of that year, before going overseas with the American Expeditionary Forces. Upon his return from Europe, he entered the Colorado School of Mines, where he remained until 1920. Mr. Bryant entered the service of the Indian Refining Company at Lawrenceville, Illinois, in



A. C. LONG, Vice President, Foreign Operations (Eastern Hemisphere), is a Director



J. T. WOOD, JR., is Vice President in charge of Foreign Operations (Western Hemisphere)



G. R. BRYANT has been elected Vice President. His headquarters will be at Houston

May, 1920, as Assistant Geologist and Production Engineer in the Crude Oil Department, where he remained until 1923. By 1934, he had risen to the post of Superintendent of the Lawrenceville Refinery. In 1937, he entered the service of The Texas Company as Assistant Manager of the Refining Department with headquarters in New York. His appointment as Manager (Operations) of the Refining Department came in 1938, and in 1942 he was made General Manager of that department.

James H. Pipkin, a native of the Lone Star State, attended Texas A. and M. College and received his Bachelor of Law degree from the University of Texas in 1931. He entered the service of The Texas Company in 1934 in the Legal Department at Houston, Texas. Mr. Pipkin was made Assistant to the Executive Vice President in 1941 and transferred to New York in February, 1942. Two years later he became Assistant to the President. In August, 1949, he was named Assistant to the Chairman of the Board of

Directors. As General Manager of Texaco's Industrial and Public Relations, Mr. Pipkin will supervise the Company's Personnel and Public Relations Departments as well as the Health Division.

John S. Worden, who was born in Olean, New York, is an alumnus of Princeton University. He entered the service of The Texas Company in January, 1921, as a Gauger at the West Tulsa Works of the Refining Department. He became Superintendent of Amarillo Works in 1923, and was made Superintendent of Houston Works in 1930. Thereafter, he served as Superintendent of the Indian Refining Company's Lawrenceville Works, and as Superintendent of Construction and Maintenance at Texaco's Port Arthur Works for several years. He was made Vice President and General Manager of the Indian Refining Company in June, 1939, and in September, 1940, was transferred to New York as Assistant Manager (Operations) of The Texas Company's Refining Department. He had held the post of Manager (Operations) since 1942. ★★★



J. H. PIPKIN is General Manager of Industrial and Public Relations



J. W. FOLEY is Assistant to the Chairman of the Board of Directors



J. S. WORDEN is General Manager of Texaco's Refining Department

"Bigness" Isn't "Badness"

By O. J. DORWIN

General Counsel, The Texas Company

The Federal Government's antitrust suit against seven major petroleum companies in California raises questions of fundamental importance to the large and integrated businesses which give America much of its great industrial strength both in peace and in war

THERE are persons who constantly clamor. . . . They cry out loudly against all banks and corporations, and a means by which small capitalists become united in order to produce important and beneficial results. . . . They would choke the fountain of industry and dry all streams."

These words, uttered before the United States Senate by the immortal Daniel Webster on March 12, 1838, serve as a reminder of a problem of that day and age. Today, 112 years later, the problem is still with us—only in different form.

They Seek to Disintegrate

On May 12, 1950, the Antitrust Division of the United States Attorney General's office filed a suit in Los Angeles against seven oil companies (including The Texas Company) and The Conservation Committee of California Oil Producers. If successful, this action—another Federal Government attempt to break up integrated oil businesses—will have a serious effect on the present structure of the American petroleum industry.

The principal goal in this particular suit seems to be to separate the marketing branch of these oil companies on the West Coast from their refining and producing branches.

In a similar suit filed in 1940, the original and underlying purpose of the Government was understood to be to separate the marketing and transportation branches of the 22 largest oil companies from their producing and refining branches. That suit was put on the shelf for the duration of World War II and the country was thus able to continue to enjoy the advantages of the smoother functioning integrated operations of these companies during that emergency. After the war, the Government again, for a time, began to press for the trial of this case, but, eventually the magnitude of the task of attempting to disintegrate so many companies in one suit led the Government, in 1946, to abandon the job, though the case has not yet been dismissed.

The possibility of Government success in this latest

"divorcement proceeding" deserves the careful consideration of all thoughtful people. It might well lead to serious consequences, not only for the companies involved but for the nation as a whole.

What Is "Integration?"

What is meant by "integration?"

By dictionary definition, "integration" is "the act of forming into a whole, the act of uniting or unifying so as to form a complete or perfect whole." In the oil industry, this means combining the refining, producing, transporting, and selling phases of the industry in one organization.

Because it engages in all phases of petroleum operations, The Texas Company is an "integrated company."

Like that of most other integrated oil companies, the integration of The Texas Company has resulted from the desire of the management to insure a steady source of raw materials, a certain and economical means of transporting crude oil to refineries, the continuous production of refined products of high and uniform quality, and an assured market for its products.

For the oil companies and their stockholders, integration has resulted in economies in operations, in stronger and better balanced organizations, and in a greater measure of security for investments. The general public has also benefited by the stimulation and expansion of research, by the substantial and continued improvement of products, and by lower prices.

Any business organization which is soundly financed, well managed, produces a good product, and markets it at a competitive price, is apt to grow. Those which do not meet these tests are apt to make no progress or fall by the wayside. It is therefore inevitable that some companies become larger than others. There is no way to avoid this unless we are to abandon the whole theory of competition on which American industry is founded.

However, there are those who are willing to attack a business simply because of its size, though no one has ever determined the most advantageous size of

a company, either technologically or in the economic or social sense. Even though it were possible to do so technologically, there is no assurance that such a determination would be the maximum efficient size economically or socially, if that could be determined.

As the development of industry in this country has been marked by rapid changes—in the oil refining business, for example, plants are in operation today which in size, cost, and products were unheard of before the war—how can anyone say today that any particular company should not exceed a given size in the future, unless we are to stifle all growth, all competition, and the all-American urge to better ourselves?

World War II demonstrated that the integration and large size of many of our industrial organizations are important factors in our national defense.

Integration of our oil companies provided a smoother working machine for the production of petroleum, for the refining and delivery of new and improved products, and for the meeting of emergencies. If, for no reason than that it minimized the channels through which Government orders had to be sent, integration assisted in the coordination of the oil industry with the over-all war program in a way which otherwise would have resulted in great loss in time and effort.

Big companies provide that combination of capital, of plants and equipment, and of management, invention, and know-how which were essential to fast, intelligent action. Consider the miracle of synthetic rubber, which was produced in quantity by the integrated oil and rubber companies from a scratch start in a matter of months! Consider aviation gasoline, which was produced when needed in quantities 10 times greater than the military forces estimated their maximum needs to be at the beginning of the war!

Integration and bigness are important to the country in time of peace as well as in war. There are tasks which big integrated companies can best perform and risks which only they can take.

When Standard Oil Company of California decided that even an integrated oil company of its large size needed a partner to help develop the Arabian concession, The Texas Company accepted a half interest in the enterprise. Later, even these two big companies found it desirable to have their effort and risk shared by Standard Oil Company (New Jersey) and Socony-Vacuum Oil Company, Incorporated.

When the Government needed a hydrogen bomb, it gave the job to the du Pont organization, though it had previously been attacked on account of its size.

These examples could be multiplied.

Why Disintegration?

Why, then, does the Antitrust Division seek to disintegrate the seven West Coast oil companies—to break up and separate their various branches, one from another? Why do they apparently seek to use this West Coast suit as a step toward breaking up the integrated oil companies all over the country?

We, in the oil industry, wish we knew.

There are those who believe that the purpose is purely political. This is difficult to believe, though one would be naïve indeed to think that the political effect of such a decision was omitted from consideration of the matter, and it is certainly true that, in the past, politicians of both parties, seeking newspaper headlines, have seemed to regard the big oil companies as a target of convenience.

There are others who think that the move may be the result of a deep-laid communistic plot. This also is difficult to credit, though it must be admitted that, if Russia is as intent as she appears to be upon the destruction of this nation, she could not plan a more important step than to demoralize one of our basic industries.

It must be borne in mind, however, that there are many conscientious and high-minded men in the departments of the Government who are only intent on enforcing and administering the laws in the best interest of the country as they see it. The proportion of such men within the Federal Government is probably as high as it is outside of it, and the Antitrust Division undoubtedly has its share of them. It will not advance the cause of the integrated oil companies to impute unpatriotic or base motives to such men or accuse them of being dupes of an unfriendly foreign power.

We must, therefore, look further for the answer to these questions.

The Uncertainty of the Antitrust Laws

The crux of the matter, as this writer sees it, lies in the present indefiniteness of the antitrust laws and the uncertain social and economic purposes which they are being used to serve.

Anyone who has attempted to follow the public discussions and Congressional hearings and debates respecting the antitrust laws since the United States Supreme Court's decision in the Portland Cement Case in 1948 could not but be impressed with the confusion which exists in the minds of members of Congress and the administrative agencies as to the meaning and purposes of these laws. The discussions of "basing points," "delivered pricing," "freight absorption," etc., must have left the general public hanging on the ropes. It has been a striking demonstration of the general vagueness of our antitrust laws.

The courts themselves have contributed to the confusion. Split decisions not only give evidence of the uncertainty of the law, but have added to it, and the reversal of prior decisions and of previously accepted understandings of the law have made matters worse.

Fifteen years ago most lawyers would have said that the antitrust laws did not apply to production—it was not considered "commerce" within the meaning of those laws. Today, in the West Coast suit, the Antitrust Division is attempting to use alleged agreements relating to production as a basis for disintegrating seven West Coast oil companies.

It's no wonder that Chairman Lowell Mason, of the Federal Trade Commission, whose duty it is to enforce
(Please turn to Page 19)

"Let's go!" From pram to family car
the whirl of rolling wheels is a sweet tune
to Americans who love to get up and go—anywhere

OFF TO A ROLLING S

EVERY time the cash register rings in a Texaco service station, the sound accents an American fact: we're a nation on wheels. The man behind the wheel of a new car got a rolling start in life aboard a baby buggy. There are many ways of looking at our penchant for freely wheeling through the countryside. We like to get places in a hurry. We like convenience in traveling. The real truth of the matter is probably very simple—it's fun to ride.

A fretful infant can be lulled into quiet by a brief spin in his top-down, heir-conditioned perambulator. That rolling motion is custom-made to soothe the nerves of young and old alike. Once the young 'un gets past the free-ride stage he becomes the master of his own vehicle—the toddler. Little does he know that he's strengthening his legs to walk.

But, no sooner does he learn to stand—and move—on his own two feet than he starts to test an enticing variety of ways to avoid walking. Who wants to walk when there are roller skates, and scooters, and tricycles? That old triumvirate of the grade school set has been

augmented by a catalogue of pedal-operated vehicles patterned after fire engines, Pop's car, and heavy-duty trucks.

Then comes the day when youth looks back with scorn on the barked shins of "little kids" and wheels off full of pride and age on a bright new bicycle. That moment of ascendance is a real turning point. It takes a bit of doing to make a bike behave. Skill and control come into the picture. So does respect for the vehicle. A bike really extends the horizon of youth. In a few minutes one can wheel far beyond the limits of parental watchfulness and explore new worlds.

Eventually, there comes a time when the world is incomplete without a car. This is an unhappy moment for Pop. He feels that every other parent in town has conspired against him in letting their youngsters drive to the high school graduation dance. Pop gives in, however, and the family car takes on a new master. Thus, a new generation joins the endless parade on the nation's highways.

It's sure fun to ride.

★★★



Beep, beep, I'm a jeep—A tricycle makes youngsters masters of all they survey. Imagination can turn a "trike" into a jeep like Daddy used to drive



A good skate—Nothing like rolling over bright pavement on sunny days. When young America takes to wheels, roller skates are prime requirements

START



Thanks for the buggy ride—
Baby cuts horizontal caper during
outing in parent-powered pram



Roll out the (magic) carpet—After the past pleasures of skates and bikes, America buys a car and heads for the highway to enjoy the freedom of going places

"Bigness" Isn't "Badness"

(Continued from Page 17)

the antitrust laws, has exclaimed that: "American business is being harassed, bled, and even black-jacked under a preposterous crazy quilt system of laws, many of which are unintelligible, unenforceable, and unfair."

This state of affairs must be a difficult one for the enforcing agencies of the Government as well as for businessmen.

It would seem, however, that under the circumstances, the Antitrust Division could easily justify not threatening industry with new and drastic penalties which were neither contemplated nor approved by Congress. One would think that the performance of its duty does not require it to undertake to disintegrate several large business enterprises, each of which has been built up only after decades of careful planning and in the face of fierce competition, in an industry which is today so intricate, technologically and otherwise, that only one with years of experience in it can hope fully to comprehend it—especially when there is no evidence that such a result will accomplish any worth-while economic or social objectives and there are excellent grounds for believing that it would be a serious blow to our national defense.

What Is Needed?

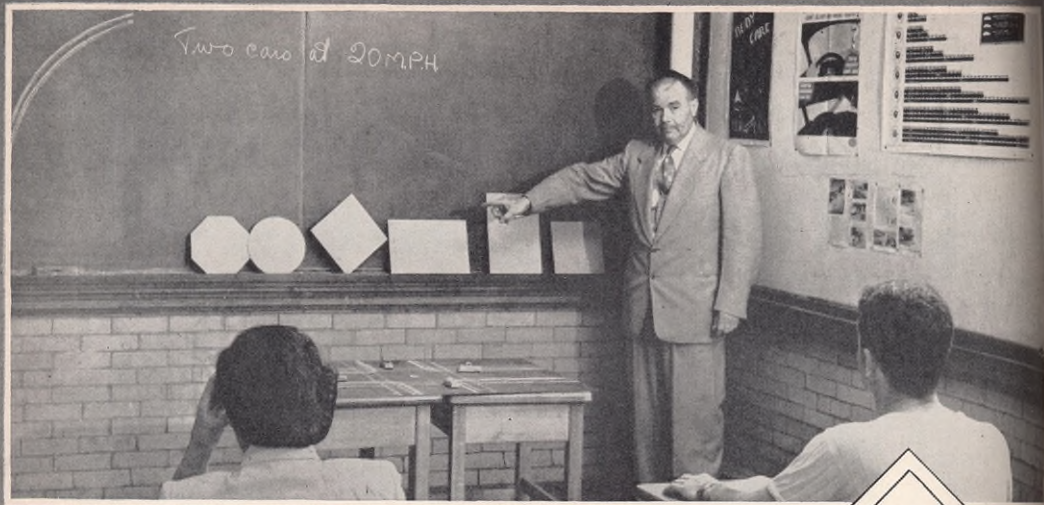
Big business today "lives in a goldfish bowl." The worst policy a large company could adopt is one of disobedience of the law. This is particularly true of large integrated oil companies.

Accordingly, they go to great expense to ascertain what the law is. They maintain staffs of lawyers to advise them what the law is, and frequently employ outside legal experts for consultation on special problems. If some one can tell them what the law is, they'll do their best to obey it.

The writer is satisfied that, if any of these companies are today violating any of the antitrust laws, it is contrary to the policy of the company, relates to a minor and inconsequential matter, or is principally due to a basic obscurity or conflict in the law itself.

What is needed today is a clearer statement of the social and economic purposes of the antitrust laws and a clearer definition as to what is forbidden by such laws. To accomplish this purpose it would be desirable to have a non-partisan, non-political group organized for the purpose of restudying the problem in the light of present-day conditions and restating the purposes and provisions of the antitrust laws.

Until such a study has been made and clear guides have been established, the Government enforcement agencies would do well to refrain from devising and attempting to apply new penalties, not clearly contemplated or approved by Congress, particularly when the results might have such a drastic effect upon a basic industry as to seriously impair the national defense. ★★★



Shape
of signs to come
gets early attention in
driver course at
Suffern

Safe Driving Ahead

**Classroom and behind-the-wheel
training helps to stem the tide
of accidents on our highways**

THE man at the front of the room waved an oversized wand as he spoke. In the stillness, the tones of his voice played an impressive tattoo on some 20-odd sets of ears. From time to time, he pointed his wand at a curious drawing projected on a white screen, deliberately repeated a phrase or two. It was evident that what he was saying was finding its mark in the darkened room.

"And that is second gear," he concluded. Then, turning to a feminine figure in the front row, he spoke again.

"There's certainly a difference between second gear and reverse, isn't there, Mrs. Chubaty?"

"There certainly is!" she laughed. She was one of four would-be drivers who had taken a morning road lesson in the practice car used in conjunction with adult driver education at Ramapo Central High School in Suffern, New York. Herman W. Lare, course instructor and during the regular school year Industrial Arts and Driver Education teacher at Suffern, smiled.

"There certainly is!" he echoed.

The seven-week driver education course, which recently completed its third Summer session for adults, is part of the community's program for combating the grisly statistics of highway accidents. Located just above New York City in Rockland County and intersected by such well-traveled highways as Routes 17, 59, and 202, Suffern has always had an awareness of the dangers which haunt the highways.

The adult driving school in Suffern is part of a state and nation-wide pattern backed by school districts and civic groups across the country. Of the 4,346 high schools which now conduct behind-the-wheel training, about 30 per cent are making the same training available to adults. In addition, 3,101 schools provide student classroom instruction only. Over-all United States figures indicate that more than 400,000 students are enrolled in school driver classes at the present time.

Every 24 hours, 86 lives are lost in traffic accidents, 27 per cent of which involve school-age drivers who often are influenced by the example set by relatives or parents. Contrary to the axiom that "you can't teach an old dog new tricks," Instructor Lare reports that during the past three years, a number of his adult scholars have been licensed drivers who were taking the course so they might be better prepared to pass along up-to-date safety information to their own youngsters as they approached driving age. And in some cases, students have gone home and taught their parents.

The dire need for sound student driver education is especially apparent in the tragic yearly toll of street and highway deaths in America. The national record shows that mishaps among young drivers between the ages of 18 and 24 are almost twice the average for all other ages combined. Although high school and college-age drivers—because of keener eyesight and better coordination—should have the best safety record on the highway, the fact remains that young people between the ages of 16 and 20 are involved in five times as many fatal crashes as motorists over 45.

Although the effect of driver education on the country's accident totals is not easily measurable, its importance in the national safety picture is receiving increasingly-wide recognition. Already, it is beginning to reflect itself in the safety records of many localities.

A few years ago, in a 24-month survey covering more than 3,000 Ohio drivers, it was found that those with driver training instruction fared much better than those who hadn't been so trained. In fact, it was clear that among this group, at least, driver-training had reduced the number of accidents by one-half.

Eager to take up the challenge posed by the stark statistics of highway slaughters, many state teachers' colleges in New York and elsewhere have already initiated a teacher course in driver education, so that graduates may qualify to teach the subject wherever they go. Thus the program is getting a much-needed boost at a time when authorities predict even more increases in the use of motor vehicles.

For students of Rockland and other upstate New York counties, the driver education course is offered as a half-year subject. Those participating receive a half-unit of credit accepted by the State Department of Education. They also get a certificate issued by the Bureau of Motor Vehicles in Albany. Provided they have successfully completed the state road test for junior operators, this certificate entitles them to apply for a senior operator's license at the age of 17. Driving tests for junior operators, supposedly the same as those required for senior operator candidates, are generally considered more difficult. State inspectors, apparently with an eye to national accident figures on young drivers, are taking extra-precautionary steps to keep America's youth alert, sane, and alive on the highway.

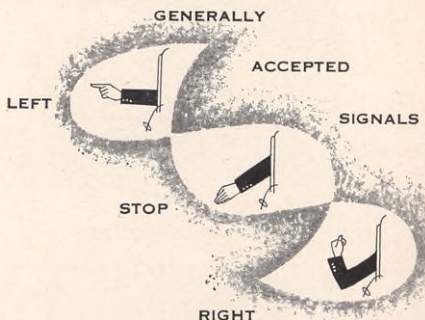
Graduates of the adult program get no certificates of course completion. While no one is forced to take the state road "exam" at the conclusion of the seven-weeks' learning period, most of the adults do so immediately thereafter. And most of them are successful.

During World War II, 1,070,000 Americans were killed, wounded, reported missing in action, or taken prisoner. In the same period, a staggering total of 3,300,000 Americans at home lost their lives or suffered injury in traffic mishaps.

By these facts alone, the need for increased driver training is indisputable. Only when such training is made available to every student and adult in every community across the nation can the country hope to loosen death's grip behind the wheel. ★★★



MODEL cars supplement outdoor training



**GIVE SIGNALS
BEFORE YOU
BEGIN TO CHANGE
DIRECTION**



GOOD products and service at Texaco station in Suffern, N. Y., help keep driver training car humming for year-round schedule of classes

24 HOURS OF PROGRESS

BARRICK

Newly-released documentary film presents vivid story of oil's contributions to social and economic achievements of Americans



PETROLEUM works around the clock. For more than 90 years, oil has been a measure of our progress



BY-PRODUCTS of petroleum play important part in modern operating rooms, may help to start a new life

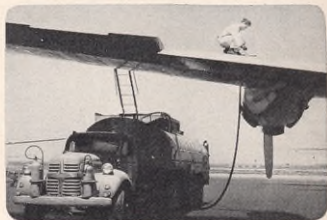
A DOCUMENTARY motion picture, *24 Hours of Progress*, which portrays the round-the-clock rôle of petroleum in the modern world, has been completed by the Oil Industry Information Committee of the American Petroleum Institute and is now available for distribution and public showing.

A fast-moving panorama of oil industry operations as related to everyday life, the new film was specially prepared to give the general public an introduction to some of the men and women of the oil industry, as well as a better insight into the work done by the industry to assure the social and economic progress of the American people.

Producer of *24 Hours of Progress* is Louis de Rochemont, recognized as one of the country's top makers of documentaries. Former producer of *The March of Time*, de Rochemont is also well known for such notable screen successes as *Fighting Lady*, *Lost Boundaries*, and *The House on 92nd Street*.

Ralph Bellamy, noted stage, screen, and radio actor, and star of the recent Broadway hit, *Detective Story*, serves as commentator for the film.

24 Hours of Progress commands immediate audience attention by showing how oil products help bring a new life into being at the beginning of a typical day. Then, as each hour passes, the camera visits many places in the country, looking in on homes, farms, factories, stores, and communities, illustrating the part oil plays in each scene. Many of the film's scenes show petroleum industry



EVER better fuels to power transportation stem from oil progress



THOUSANDS of producing companies serve nation by drawing millions of barrels of crude a day from earth

workers in action. Producer de Rochemont achieved complete authenticity in the picture by sending photographic crews from coast to coast for actual location "shooting."

The new picture is expected to attract audiences and find wide application for several years. Like *The Last Ten Feet*, the OIIC film for 1949, it brings the story of oil to the public, and is particularly suited for showing at meetings of social, business, and civic clubs, and at school assemblies.

Production of *24 Hours of Progress* was a project of the OIIC's motion picture sub-committee, headed by Philip C. Humphrey, vice chairman of OIIC and Manager of The Texas Company's Public Relations Department.

In addition to *24 Hours of Progress* and *The Last Ten Feet*, a number of Texaco films are currently available for exhibition. These include *Deep Horizons*, *Masters of Molecules*, *Research—Pattern For Progress*, and *A New Frontier*.

All of the films are 16-millimeter sound pictures, and the Texaco films are in color.

Free bookings of any of these pictures may be arranged through Sales Department Division Offices of The Texas Company at New York, Boston, Buffalo, Norfolk, Chicago, Denver, Indianapolis, Minneapolis, Houston, Dallas, Atlanta, New Orleans, Los Angeles, Butte, and Seattle.

★★★



FIRST errand of an average day—to get some gasoline for the family car



HOUSEWIFE will use more than 100 petroleum products daily, including plastic wrappers, wax on cartons



TANKERS like one loading above transport oil with speed and economy, are vital factors in nation's security



NEW life has been given many American communities by establishment and growth of up-to-date oil refineries



SERVICE station is the oil industry to most of us. 95 per cent of all stations are independently operated

REPORTER

TEXACO OIL IS NOT GOING TO REDS

By W. S. S. RODGERS

Chairman of the Board of Directors

THERE is no truth whatever to the reports published in certain newspapers that The Texas Company sent oil to the Chinese Communists after hostilities began in Korea.

The Texas Company has not operated directly in China for over 14 years; however, we do have a 50 per cent interest in an affiliated company, The California Texas Oil Company, Limited, known as "Caltex," that has substantial interests in that country.

Ever since China was overrun by Communist forces, it has been the policy of Caltex to stop all shipments into that area of petroleum products having any direct military utility. Shipments of other types of petroleum products were made only when it seemed necessary to do so to protect several of the American employees of our affiliated company who were and still are held in Communist China because they have been refused exit visas. In each of these instances, the State Department was consulted and approval obtained before shipment was made. These shipments—which we consider come under the category of "duress" shipments—totaled less than five per cent of the pre-war volume of our trade with China and it is inconceivable that any of the products actually shipped have had an effect upon the military hostilities in Korea which broke out on June 25.

Immediately upon the outbreak of the Korean war, even these small shipments were discontinued as the State Department requested.

I would like to state categorically that The Texas Company and its affiliated companies have always stood ready to comply with requests from the State Department or any department of our Government where the welfare or best interest of our nation is involved.

J. S. Leach Receives Achievement Award; Urges Teamwork Within the Oil Industry

At the 31st Annual Meeting of the Texas Mid-Continent Oil & Gas Association in Dallas, Texas, on October 4, Texaco's recently elected Executive Vice President, J. Sayles Leach, received the Association's Distinguished Service Award for the year 1950. The award was in recognition of Mr. Leach's "distinguished service and able leadership in the development of the Texas oil industry."

In accepting the award, Mr. Leach voiced a plea to the oil industry to forget its "family quarrels" in the face of current problems.

He declared that attacks by Congress and some Government departments on the so-called major oil companies will inevitably injure the entire petroleum industry.

"We should not be deceived," Mr.

Leach said, "by these efforts to divide our industry. I say to you that only by unity can we succeed and continue to make progress.

"If growth is not a good thing," he continued, "the way to change it is not to cut the size of businesses that have grown. You would have to change the environment that favors growth, abandon our competitive enterprise system, and that means shrinking America."

Today the oil industry finds itself, according to Mr. Leach, again confronted with the task of supplying petroleum products for national defense, while meeting an unprecedented civilian demand. He said that the industry "has never failed to supply whatever requirements, wherever needed, of crude oil and products for the successful defense of this nation. We shall not fail now.

"To accomplish this, however," he added, "we cannot have a house divided. I feel that the time has now come for us to forget our family quarrels and work together to discharge the great obligations which confront us. . . . Progress and prosperity are not achieved by human conflict but by human coöperation. As a team the oil industry can solve any problem, surmount any obstacle."

Texaco Renews Opera, Milton Berle Contracts

FOR its 11th consecutive season, The Texas Company will sponsor radio broadcasts of Saturday matinee performances from the Metropolitan Opera House in New York City.

The first broadcast of the new season will be aired November 11, at 2:30 p.m., E.S.T., over the network of the American Broadcasting System, and will again feature the popular "Opera Quiz" and "Opera News on the Air," intermission highlights which have become a standard part of the broadcasts.

In addition, Texaco has contracted to sponsor the telecast of the Met's spectacular opening night program Monday, November 6.

The Texaco Star Theater, television's top-ranking show, returned to its Tuesday night NBC-TV spot September 19, with Milton Berle, video's No. 1 comedian, as its star.

Huge valve is prepared for installation on a crude oil storage tank at the Cogdell Station of the Texas-New Mexico Pipe Line Company, on Scurry-Kent County border

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Facts about Oil

Most of the 250,000 service stations and other retail petroleum outlets in the United States are operated by independent businessmen.

About 20,000 wholesale jobbers and distributors help bring petroleum products to market.

About 2,400 companies transport crude oil and finished oil products.

About 400 companies are in the refining business.

About 13,500 producers get the oil out of the ground, each one forever trying to get the jump on the other fellow. This helps to keep oil prices reasonable.

American motorists have been receiving hundreds of millions of dollars' worth of extra value for their driving dollars every year since the early '30's.

Government figures show that gasoline prices today are well below the cost-of-living index. Oil prices have gone up less than most other prices.

Because of engineering advances made by the oil and automobile industries, today's "regular" gasoline does 30 per cent more work than it did in 1925. Premium gasoline has moved up to new high ratings never known before.

Every single day, America uses about 250,000,000 gallons of oil products. That's almost two billion pounds daily! So—oil does a big job. It takes thousands of separate companies, hundreds of thousands of men and women, and billions of dollars to do the oil job. It takes vision, courage, and hard work to drill wells, find oil, bring it up out of the ground, refine it, test it, transport it, and deliver it. ★★★



YOUR PROGRESS AND OIL PROGRESS
GO HAND IN HAND

