

# *The* TEXACO STAR

*For Employes of The Texas Company*



*The Alamo*

Vol. XIII

MARCH 1926

No. 3

## The Alamo

The sacred Alamo stands in the very heart of the City of San Antonio. It was erected in 1718 by the Franciscan Monks and was originally the Chapel of the Mission San Antonio de Valero. Within the walls of the old Chapel, on March 6, 1836, Davy Crockett, James Bowie, William Barrett Travis, and one hundred eighty other heroes gave their lives to defend Texas liberty when they made their stand against Santa Anna with four thousand Mexicans.

Pilgrimages have been made to this Mission since its erection as a church and fort, and no San Antonian is too busy to tell the visitor of the eventful history of The Alamo under the Seven Flags which have waved above its portal.

Four other historic Missions, built nearly two hundred years ago by the Franciscan Monks, are just outside the city of San Antonio.

The oldest Mission, Espada, was built in 1690.

San Jose, built in 1720 (see inside back cover), is the largest and most beautiful Mission in America.

Mission Conception, erected in 1716, is wonderfully preserved and still used as a church.

San Juan Mission was built in 1731. Near it may be seen, well preserved, the aqueduct constructed by the monks to convey water from the San Antonio River for irrigating their fruitful gardens.

*For the photographs we  
thank the San Antonio  
Chamber of Commerce.*

# The TEXACO STAR

PRINTED MONTHLY FOR DISTRIBUTION  
TO EMPLOYEES OF THE TEXAS COMPANY

Vol. XIII

March 1926

No. 3

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*"All for Each—Each for All"*

Address: The Texaco Star, The Texas Company,  
Houston, Texas

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## Economies and Surpluses

Everyone knows that business and industry and the people at large prosper through reductions of costs in production and distribution; but the general public, especially lawmakers who are inclined to socialism, do not realize that many of the most important economies are attainable only by profitable and well managed enterprises.

Here is where the "surpluses" come in. Unless a company has year by year plowed back into the business a good share of its profits it is not in position to adopt all improved methods and machinery for the reduction of costs, and must accept inevitably diminishing profits as it attempts to compete with better managed rivals. Also, for all basic industries, the "handwriting on the wall," it has been well said, reads: *The Price of progress is research, which alone assures the security of dividends.* Research requires capital outlays upon which the returns are deferred to future years.

Those who envy or decry the profits of business evidenced by surpluses do not understand where their own interests lie. The benefits of improved methods and machinery and labor-saving devices, as soon as their use becomes general, accrue far more to the con-

sumers than to the producers. Competition always reduces prices after costs are generally reduced.

But if all of its profits are taken each year out of a business, whether by shortsighted management or abuses of government, economical administration and progress soon become impossible; and all must suffer from the consequent inefficiency and high costs. Stability, as well as economy and progress, is largely dependent upon the judicious building up of surpluses. Lean and fat years alternate, and if all profits are currently consumed, or taken away by law or taxes, it is but a question of time when stagnation or disaster comes.

We have a striking example in the railroads of this country. Since they were released to private management five years ago the managers have worked wonders in putting the disordered properties into good order, in reducing operating expenses, and in rendering improved service. In 1925, it is reported, shippers were supplied with 99.7% of the cars they ordered on the days they wanted them; the weight of trains and mileage of freight cars have been increased, while the consumption of fuel was decreased; and honest teamwork between men and management has been to a great extent restored.

The saving to the public in quick deliveries and the all around improved service is incalculable, but we know it has been enormous. We also know that the capital thus freed has kept interest rates down and increased the volume of business.

Can this progress continue if surplus reserves of capital are prohibited? Last year some roads earned all the profit allowed by law; but hard years may come, against which they are forbidden to provide. Ignoring future

## *The TEXACO STAR*

risks, can such financing as has been necessitated be continued indefinitely? To accomplish the outstanding economies and improvements during the last five years heavy outlays of capital were required—approaching, I understand, \$3,000,000,000. But less than five percent of this new capital was gotten through sale of stock! Unless the law is changed so that new issues of stock by a prosperous railroad can be attractive to investors, how can railroad transportation be put on a permanently profitable basis?

Profitable business is the only foundation for material prosperity. Undercapitalized business means that improvements which it will take several years to pay for can not be made. This brings high prices for consumers and losses to owners.

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### Stock Quotations

For the speculator on margins the fluctuation of prices is a serious matter; but for my present purpose that phase of the question may be dismissed with Henry Ford's shrewd remark: "The best point about stock speculation is that some really good men lose at it, and are thereby compelled to go back to work. The stock habit takes too many men's minds off their legitimate business. Anything that drives them back to their proper sphere is a benefit to them."

The point to which I wish to direct attention is that too many men imagine that the stock exchange quotation of the stock in which he is interested, either as an owner or as a loyal employee of the company, is a barometer of its value. On the contrary, the value of the stock as an investment depends almost entirely on the amount and reliability of its dividend payments. If the stock is listed in the New York Stock Exchange and regularly traded in by the investing public, there is an appreciable item of value in comparison with equal returns from a less fluid asset, from the fact that it can be converted into cash within an hour by telegrams by a recognized stockbroker or bank in any locality.

The fluctuations in the quotations of stock, within reasonable limits, have little or no interest for the sober investing owner. Such fluctuations depend on conditions having no effect upon the intrinsic value of the stock—its earning power and security. They are caused mainly by passing hopes and fears of

speculators with respect to the current demand for that particular stock or for stocks in general, on temporary conditions of the money market, and on vague sentiments and surmises springing from obscure causes. Even the oppressive weather of the "dog days" of the summer may depress stock quotations.

Study the annual statement of the corporation in whose stock you have invested and other sources of reliable information to form an opinion of its prospects, and then you can safely lose touch with stock exchange quotations for quite a while. As for the man who tries to play both games—investor and speculator—with the same stock, selling to buy back according to his guesses about the market, he is almost sure to see his investment dwindle by worse attritions than the brokerage charges.

Invest intelligently. Then sit steady in the boat.

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### Safe Farming

Hon. Clarence Ousley, Director of the Texas Safe Farming Association, in a letter to the editor, recounts a very striking incident which he considered the choicest argument for safe farming he ever heard. Certainly no one is better qualified to judge than Mr. Ousley.

At a typical county seat in North Texas, the first week in February, a meeting was held attended by about two hundred farmers and the bankers and leading business men of the town. Several addresses were made on the present cotton crisis and the danger of further losses from another big cotton crop.

Finally one of the bankers asked that all farmers arise who had corn in the crib of their own production. Twelve men arose. After they were seated he asked that all farmers arise who had meat in the smokehouse of their own raising and curing. The same twelve men arose. After they were seated he asked that all arise who had money in the bank which they did not borrow. The same twelve men arose.

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### "Practice of Medicine"

Lord Dawson, physician to London Hospital and to King George V, in a recent lecture at Philadelphia before the American College of Surgeons, on "The Widening Range of Medicine," pointed out that the term "practice

## The TEXACO STAR

of medicine" as covering the care of the sick conveyed some misleading implications. Much of the practice of the best modern physicians is *without* medicine.

Drugs have very important uses, especially in the crises of disease, but there are too many doctors who content themselves with the exhibition of drug effects in the crises of organic disease which should never have been allowed to develop.

The continued dependence upon drug treatment and the neglect of better means offered by modern science are largely the fault of the laity, or rather are results of certain characteristics of human nature. Mental suggestion does have some effect on disease, even organic disease, and a prescription in Latin is a mysterious thing to most patients and often inspires helpful confidence. Many persons would leave a physician's office in high dudgeon if given only some simple counsel with respect to their way of living. They go to the doctor seeking a "cure"—and a cure that comes out of a bottle. As a rule they practically demand a drug prescription. This has had unfortunate influences on the treatment of diseases, and has retarded search for the originating causes of disease.

Because of their spectacular character, great scourges such as yellow fever and malaria have been attacked along rational lines of prevention and specific means of cure; but the chronic organic maladies which arise insidiously have been too much regarded, by physicians as well as laymen, as disease entities—conditions arising from no specific cause, but just arising. And accordingly they are dealt with by means of drugs exerting immediate and direct effect.

The modern note in medical practice is the prevention and rigorous search for the original causation of disease. But tradition still weighs heavily upon the profession as well as the laity, and we should do all we can to lift it.

The public should be led to ask of the physician the modern type of service. People should feel that their money is well spent when a physician, after due examination and searching tests, gives sound advice on diet and exercise and mental hygiene without any mysterious prescription.

Of course it would be folly to abandon the use of well-tested drugs. There is no more dangerous form of quackery than that of some advocates of "drugless treatment" who denounce the administration of drugs—especially the most valuable drugs that we possess.

If the public understood the conditions they would come to a physician in good professional

standing with confidence in his ability to solve their problems, whether through the administration of some drug or by counsel for the proper ordering of their lives.

The more interest the public takes in seeking counsel on personal hygiene and the upbuilding of health and the prevention of disease, the more rapidly will the medical profession meet the requirements by the proper examination and diagnostic tests before attempting to prescribe drugs or give advice.

The greatest mistake that could be made would be to abandon scientific medical supervision and patronize pseudo-scientific cults, or still worse quack cults, who are glib in denouncing the weaknesses of medical practice but offer nothing safe in place of it.

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### Finance Mottoes

They wanted inscriptions for eight panels alternating with mural paintings in the main banking room of the new Illinois Merchants Trust Company, said to be the most beautiful banking room in the world.

C. W. Barron, publisher of the *Wall Street Journal* and *Boston News Bureau*, was consulted. He wrote two of the eight himself and economic literature was searched for the others.

The eight inscriptions are:

*I. All the progress of men and nations is based upon sacredness of contracts.*

—C. W. Barron.

*II. A fertile soil with industry and easy transportation for men and things from place to place, make a nation strong and great.*

—Bacon.

*III. Human wants can be satisfied only by goods abundant and cheap, and these can be made with high wages for efficient production.*

—Leverhulme.

*IV. In the family, as in the State, the best source of wealth is economy.*—Cicero.

*V. Capital is what you and I have saved out of yesterday's wages.*—Hartley Withers.

*VI. The wealth of a nation is not in prices, but in production and reserves in store and service.*—C. W. Barron.

*VII. America has a system of banking which surpasses in strength and in excellence any other banking system in the world.*

—Sir Edward H. Holden.

*VIII. Private credit is wealth, public honor is security.*—Letters of Junius.

# The TEXACO STAR

## Annual Statement of The Texas Company and Subsidiaries

### Consolidated Income and Surplus Account

For the Year Ended December 31, 1925

GROSS EARNINGS, after deduction for Cost of Material -	-	\$159,396,626.70
OPERATING, GENERAL, AND ADMINISTRATIVE EXPENSES -	-	89,392,823.44
NET EARNINGS -	-	\$ 70,003,803.26
<i>Deduct:</i> Additions to Reserves: Depreciation -	-	\$17,567,142.99
Federal Taxes -	-	4,517,259.51
		<u>\$ 22,084,402.50</u>
		<u>\$ 47,919,400.76</u>
<i>Deduct:</i> Adjustment, Inventories of Mdse., Crude and Refined Oils, reducing to the Lower of Cost or Market -	-	8,314,322.35
AVAILABLE FOR DIVIDENDS AND SURPLUS -	-	\$ 39,605,078.41
<i>Add:</i> SURPLUS, DECEMBER 31, 1924 -	-	\$95,201,709.28
<i>Less:</i> Adjustments—Direct Deductions from Previous Surplus	-	1,606,764.58
		<u>\$93,594,944.70</u>
<i>Less:</i> DIVIDENDS PAID DURING YEAR -	-	19,734,000.00
SURPLUS, DECEMBER 31, 1925 -	-	<u>\$113,466,023.11</u>

### Consolidated Balance Sheet

As of December 31, 1925

#### ASSETS

##### FIXED ASSETS:

Lands and Leases held for Oil and Gas, Wells and Equip.	\$55,547,225.12
Oil Pipe Lines, Gathering Systems, and Tank Farms -	52,059,508.52
Refineries and Terminals -	70,254,307.45
Tank Cars and other Railroad Equipment -	3,227,729.35
Ships and Marine Equipment -	29,101,459.88
Sales Stations, Marketing Facilities and Equipment -	41,328,724.96
Miscellaneous -	2,594,083.74
	<u>\$254,113,039.02</u>

##### CORPORATE SECURITIES

1,144,752.49

##### CURRENT ASSETS:

Cash -	\$18,814,105.80
Accounts Receivable -	19,151,991.34
Notes Receivable -	2,815,423.90
Merchandise, Crude and Refined Oils -	94,419,601.52
Storehouse Supplies -	5,657,702.47
DEFERRED CHARGES TO OPERATIONS -	<u>140,858,825.12</u>
	<u>1,521,494.66</u>
	<u>\$397,638,111.29</u>

#### CAPITAL AND LIABILITIES

CAPITAL STOCK -	\$164,450,000.00
SURPLUS -	113,466,023.11
RESERVES: Depreciation -	\$96,583,562.24
Amortization of Facilities -	2,431,740.43
DEFERRED PURCHASE OBLIGATIONS -	99,015,302.67
CURRENT LIABILITIES: Accounts Payable -	945,605.16
Notes Payable -	1,232,413.92
Estimated Federal Taxes -	4,500,000.00
	<u>19,761,180.35</u>
	<u>\$397,638,111.29</u>

NOTE: Inventories of oil and other products are at cost, lower than market, and oil produced by the Company itself is carried at cost of production, lower than market.

Ira McFarland,

Comptroller.

February 27, 1926.

## *The TEXACO STAR*

### The Opportunity for State Legislation in Aid of Oil Conservation

Address of Amos L. Beatty before the Federal Oil Conservation Board  
at a hearing in Washington, February 10, 1926

I speak for all representatives of the petroleum industry invited here on this occasion when I say that the invitation and the purpose behind it are deeply appreciated. Without exception, I am sure, we recognize on the part of the board a desire and determination to reach only deliberate conclusions. It is our fault if we fail in coöperation, and nothing to our credit if we can not render some assistance. We have grown so accustomed to being investigated that we may appear awkward for a while. We are familiar with the procedure when charges are brought, and can speak the language of investigations. But this seems to be a study, to which we are invited by the Board, and the novelty of our status may cause us some bewilderment.

The subject which I am to discuss does not include legislation by Congress, which is the only kind that could reach the Naval Reserves, the Indian Lands, or the Public Domain of the United States. This preclusion of Congressional legislation is my only reason for not discussing it. The opportunity for such legislation is open and plain in relation to the lands just mentioned; it is free from constitutional questions which abound in almost every scheme of state legislation; and I have very definite views as to what should and what should not be done. Perhaps I may have an opportunity to say something on the subject in open forum.

In state legislation one at first blush would expect to find ample scope. Nine-tenths of the country's petroleum production being drawn from privately owned or state lands, the same proportion would seem subject to state laws of conservation. In one sense this is true, while in another sense it is not true; it is true only to the extent that state conservation laws are permissible under the Federal Constitution; for property rights flowing even from the state itself are protected by the Federal Constitution.

But what kind of conservation laws are we thinking of? Much depends on that. And there is more, much more, than power involved. The large question usually is one of

policy. Should the states legislate the uses to which a particular product, owned as private property, shall or shall not be put? Assuming but by no means conceding that the state could enforce an enactment prohibiting the burning of residual oil under boilers, should the state undertake such a thing? I submit that it is infinitely better to allow economic laws their play. It would be scarcely a step from a legislated use to a legislated price. On both points the unwritten but nevertheless inexorable law of economics affords a perfect remedy and leaves no debit balances for future adjustment; it cleans the slate as it goes. If fuel oil were withdrawn from the smokestack market it would be cracked into gasoline. Over-supply and resulting cheapness lead to waste, no less in gasoline consumption than in that of other products. And one outstanding result would be the placement of a handicap upon railroads and industries now burning oil, and building up motor bus lines and other unnecessary competition. The natural trend is strong enough and should not be stimulated by legislation. Moreover, the new flow of fuel oil to the cracking still will start just as soon as crude production declines to the critical point. It will do so because of the price that will apply to gasoline; coal can be relied upon to stop the fuel oil price. It is not illogical to inquire, therefore: What difference does it make whether the economic waste occurs in the fuel oil phase or the gasoline phase? Inevitably there will be this kind of waste whenever there is overproduction of the raw material, crude oil.

I am thus brought to the question of what the President had in mind when writing the letter just quoted by the Chairman. It deals with the production of oil, the danger of excessive production and early depletion, and not with wasteful uses primarily. True, at one place it refers to the substitution of oil for coal, but apparently that is mentioned merely as a result of overproduction. There is nothing in the letter to indicate a policy of legislation in regard to uses. To make sure of this I will quote that paragraph of the

## *The TEXACO STAR*

letter, the only one that contains a reference to wasteful uses. The President says:

"We are not today, however, facing an under supply of oil. The production of our 300,000 wells is in excess of our immediate requirements. That overproduction in itself encourages cheapness, which in turn leads to wastefulness and disregard of essential values. Oil, of which our resources are limited, is largely taking the place of coal, the supply of which seems to be unlimited, but coal can not take the place of oil in most of its higher uses, on land or sea or in the air."

From which I again submit that the thing in mind was over-production; that the disregard of essential values was treated as a mere incident, which it is, and that there was no thought of controlling use.

I am not invoking a technical or strict construction but am trying to reach the real meaning of the writer. And I am concerned with that meaning most particularly because the one I have ascribed coincides with a sound economic theory. If it were practicable to remedy the situation by legislating on uses the President, of course, could write another letter and make it clear that he has that in mind. Or this Board would be warranted in reporting on that phase of the subject, *ex mero motu*. What I would say is that we are encouraged to consider regulation of uses impracticable and therefore pretermit a discussion of that kind of legislation.

Coming now to the opportunities for state legislation having reference to conservation in the production and handling of crude oil I wish to observe that the legislatures of the oil producing states already have passed enactments touching many of the subjects that naturally come to mind. These enactments are somewhat varied and are far from uniform. Legislation in the different states on the same subject proclaims different rules. Subjects are covered in one state while they are not touched in another. And, as would be expected, the public sentiment back of the legislation varies still more.

It is not easy to obtain state legislation for the benefit of an industry, even when the reasons are perfectly plain. This is particularly true if the proposed act is in the least complicated. State legislators are often jealous of state sovereignty and independence. They are seldom willing to follow advice from industrial leaders, being almost invariably suspicious of such advice. They listen until they

obtain a smattering of the subject and then feel prepared to make changes in bills submitted. The result often is that a salutary measure, carefully worked out by experts, is changed until when it goes to the governor for signature it bears no resemblance to the original measure proposed. And again, it often happens that the suggestion of one measure brings about a discussion of the general subject and the introduction of numerous other measures growing out of that subject, so that the industry's last state is worse than the first. Such things have caused industrial leaders to hesitate and have prevented them from taking the part which was theirs in the molding of legislation. It may be that in times past so-called industrial leaders have practised deception, thus forfeiting their right to be followed. Whether this is true or not the other fact remains. If it could be found that certain very plain remedies are needed for obvious and undisputed evils in our industry, on which after full discussion there should be no disagreement, and if the necessary enactments should be sponsored by this board, it would doubtless be easier to obtain their passage.

In the last analysis, state legislation must emanate from sentiment developed within the state. Until there is a developed and crystallized sentiment on a subject it is useless to talk about or hope for legislation. And then when the public feeling matures to the point where action is possible there is always danger of an extreme being reached. Year after year in state after state those who are conducting business on a nationwide scale find it necessary to attend hearings and go into arguments and explanations on matters that are quite fundamental and well known to business men but which must be taught to those who are not of that kind in order to prevent serious injury through foolish laws.

And there is still another stumbling block. Not many of the states are interested as much in conservation of oil as they are in its development. States that produce none are anxious to become producers. States that produce little are anxious to produce more, and to them no argument in favor of conservation or holding back production would have a strong appeal. And I seriously doubt whether the great oil producing states of California, Oklahoma, and Texas, or any of them, would listen long to a plea that production should be held back for future generations. Rather they would prefer, if I am not mistaken, that the business go

## The TEXACO STAR

merrily on, with no restraints or limitations, especially since these would mean higher prices for products consumed in every-day life. And this I think is true at the present time in all the states, and whether applied to the development of privately owned lands or state lands. The states, of course, where they hold lands or the minerals in ownership could withdraw them from exploitation. It is purely a matter of policy.

Without admitting pessimism in general, I must decline the role of enthusiast on the results that can be obtained from law-making, though there are a few specific matters which I think may properly be mentioned in this discussion.

Substantial waste occurs when oil pools are excessively drilled. I refer to cases where the surface has been divided into small plots, often town lots, with a variety and divergence of ownership. Wells are drilled on very small tracts of land, near their boundary lines, of course, and this in turn necessitates offset drilling by adjoining land owners to protect themselves against drainage, which applies to each successive ownership in turn throughout the area. Frequently ten or more wells are drilled within a space where good practice would warrant but one. I have said that this is waste but have not said whether it is a waste of oil or a mere waste of money. There seems to be a difference of opinion among technologists as to whether the oil recovery is more or less than normal when the territory is thus abnormally drilled. Perhaps it may depend upon conditions in the particular pool. There can be no denial that such drilling results in very rapid development, meaning at times sudden large production, a flooding of the market, so that in addition to the drilling there are other losses. From my standpoint it makes but little difference whether the waste is of oil or money; it is to be deplored. I realize that every competitive enterprise involves more or less economic waste, that this is to be expected and is unavoidable, and that the purposes of civilization have not wholly failed if people are given remunerative employment, even though they are engaged in work which is unessential to some extent. But that philosophy should not be carried too far. Millions of dollars could be saved by the adoption of proper practice in lieu of this irrational drilling.

The American Petroleum Institute is a constructive organization. Every member with a theory is given full opportunity to expound

that theory and sustain it if he can. Three years ago some of us thought we had found a remedy for the drilling evil. We considered the draft of a model bill to be submitted to the legislatures of the oil producing states. It was studied by a committee of the Institute and a number of lawyers of recognized ability, and was redrafted until no further suggestion for its improvement was made. As finally shaped and considered by the committee it conferred certain powers upon an established commission of the state, the Corporation Commission or such other commission or board as might be suitable. The bill itself defined *prima facie* a drilling site, fixed its size, but empowered the commission to change this by general orders applicable to specified pools or producing horizons and prohibited the drilling of wells within a stated distance of a boundary line or within a stated distance of another well, this to be applicable to each producing horizon separately. Inasmuch as it was thought that such bare prohibition against the owner of a fractional drilling site might be unconstitutional because of depriving him of a right of use and enjoyment it was provided that in lieu of his right to drill he could upon expert proof receive or recover drainage money if his land should be drained by others. This proposed measure was given final study by the committee, with the result that in the end there was no support for it. It was felt that the owner of a fractional drilling site, without expending any money of his own or taking any risk, would be enabled to realize as much as if he had taken the risks, which would be unfair to the real operators, and that if this proved to be true portions of every oil pool would be cut into fractions solely for the purpose of obtaining this unfair advantage. These and other serious objections convinced the committee that no favorable recommendation should be made.

It might be possible to work out something feasible by reversing the idea and allowing the owner of a fractional site to drill upon it, but making him liable to those whose property should be unduly drained and perhaps requiring him before proceeding with work to file with the county clerk or some other proper authority a bond with approved security conditioned for the payment to other property owners of any net amounts to which they might become entitled by reason of his drilling upon the fractional site and thereby unduly draining their lands, additional bonds to be

## *The TEXACO STAR*

required from time to time, if justice should demand, upon applications judicially heard. Of course, the entire matter of subdivision for drilling sites would have to be under official supervision, as is the rule in Texas now, and drainage would be a subject of expert testimony. A well on a full drilling site would be available to take all the oil that could be taken through it, but a well on a fractional site would be considered as a means of taking too much, for which a remedy would be allowed. Or, to state it another way, property owners who could show that they had suffered drainage by reason of fractional-site drilling would be entitled to participate in the net production or net profits of the well. This would certainly discourage the bad practice, and it would have a strong tendency to bring about the voluntary consolidation of fractional sites. I hasten to say, however, that the present suggestion has not been submitted to the Institute and I would be unwilling to favor it until it had been submitted and had undergone the scrutiny of that organization.

Occasionally in new pools, and especially where there is town-lot drilling accompanied by unit selling schemes, irresponsible operators bring in wells and permit them to flow into earthen reservoirs. All light oil, that which will flash below 175 F., should be placed in steel storage of approved type. Less volatile crude can be stored less expensively at times, but there should be strict rules for light oil. New wells of any kind should be allowed to clean themselves after being drilled into the pay, by flowing into temporary storage, if necessary, for not more than twelve hours.

Perhaps the waste in this connection is not sufficient to warrant the effort necessary to have the remedy adopted. I personally know of no serious case that has occurred since the light oil development at Smackover some three or four years ago. Responsible operators are careful. They conserve. Self interest, if nothing else, would cause them to do so.

There is a state law which I would unqualifiedly advocate. It is an enactment which would make valid and enforceable agreements between operators to suspend their competitive drilling operations for given periods of time. It frequently happens that pools are extended and oil brought to the surface to be dumped upon the market when there is already a large surplus above ground. This occurs because each producer is unwilling for his neighbor to gain an advantage through aggressive devel-

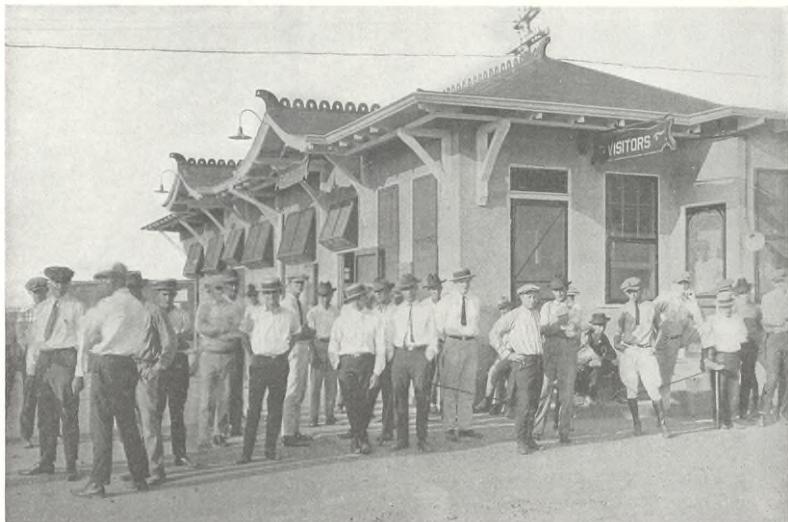
opment and drainage. Every well is offset as it is drilled. Practically all of the states have strict statutes carrying severe penalties against agreements in restraint of trade, and some, if not all of them, may be broad enough to cover the kind of agreement that I have referred to, though it is reasonably certain, I think, that this was not actually contemplated when they were passed. It would be in keeping with the idea of conservation, in all of its sensible aspects, if the state legislatures would pass simple acts on this point. To protect the public, approval of such agreements by some commission or board should be required.

In conclusion I wish to say that in my opinion the greatest good will come through channels other than legislative. Occasionally legislation may be needed, and I am a firm believer that in such cases it should be framed if possible by those who are expert in the particular matters involved, provided they are honest. But, even when legislation is needed, it is not always indispensable. There was successful gold mining in California when mining rights were wholly undefined by statutes. The operators themselves, though mostly unlearned pioneers, were able to evolve and enforce a system of rules which years afterwards, when the crisis had long since passed, ripened into our mining law. There was an instance where legislation was apparently indispensable; the questions were not economic; they were legal. A definition of property rights and a method of their exercise must have seemed essential. But the miners did not wait. They attended to the business. The rules which they adopted and enforced were not different in principle from many which oil miners have had for years.

A striking illustration of what may be accomplished in the absence of legislated rules but as a result of pure economic law may be found in the development of the natural gasoline business. It was only a few years ago when the extraction of gasoline from casing-head and natural gas was unheard of. Research established the fact that the liquid was contained in and could be taken from the vapor, and that the extraction could be made by compression or absorption. Now, when this was ascertained it would have been logical if lawmakers had occupied themselves in the passage of statutes prohibiting the burning of gas in its raw state or until after the gasoline had been extracted, provided the content was

*Concluded on page seventeen*

## *The TEXACO STAR*



Gate at Port Arthur Works where applicants are given preliminary interview before going to Employment Office

### **Building Texaco Workers**

#### **I. The Restless Cogs of Industry**

**A. A. NICHOSON, Employment Supervisor, Port Arthur Works**



It was Shakespeare who said "All the world's a stage, and all the men and women merely players." Since that time the people on this stage have changed but little, if at all. But their costumes have undergone radical change; their customs have been decidedly altered; and most assuredly the evolution of the world has brought about a tremendous transformation in the setting of the stage.

So today, in place of the restful rural scene, with its quiet wooded hills and peaceful pastures, where simple folk lived and loved and died, we find an entirely different setting. The scenes have shifted, and the actors now perform under entirely different conditions—some pathos, some drama, some comedy, but each kind of acting has a modern setting.

The quiet wooded hills and peaceful valleys have given way to the advance of commercial and industrial activity; the background of the stage is mass of enormous buildings and tall stacks vomiting their smoke from the powerful machines they house; screeching whistles and roaring mechanical devices have replaced sylvan solitude; and where formerly a few actors were engaged, now throng multitudes amid a whir of hustle and bustle in the race for modern supremacy.

"The busy scene of industry" is now being enacted, and in the handling of the scenery and in the playing of the parts the millions of people engaged must forego any great amount of preliminary rehearsing.

Industry concerns itself with two factors —men and materials, and so far as importance is concerned, the only difference between these two items is a difference in their spelling.

## *The TEXACO STAR*



Each applicant is personally interviewed.

Employment Record Office, Port Arthur Works

However, until more recent years the major attention has been given to materials, their procurement, their conservation, and their utilization. For centuries human minds have been constructing things from materials provided by nature, but only since yesterday has it been clearly recognized that these things are built more with men than with raw materials. And so we find today that industry has undertaken a great and necessary task in the building of men, realizing that further expansion and greater possibilities, insofar as commerce and industry are concerned, will be possible through man power much more than with materials, and endeavoring to get the restless and misfitted cogs of industry properly aligned and smoothly running and permanently synchronized in the great machine of modern life.

Building men is one of the most difficult,

most complex, and yet most necessary jobs that confronts present day industry. Hiring men or assigning men to any particular job is a relatively easy matter, but to take men who seek for admission and enter the gates of industry and to remould them into workers fitted mentally and physically to tackle and successfully wrestle with the perplexing problems of industry is quite another matter. To put this over requires a gigantic program which involves enormous expense, much time, and an unlimited amount of patience. Industry, however, realizing that the best men were none too good, has launched a program worked out in detail after careful analysis in which monetary costs of installation and operation are lost in comparison with the finished product of a well rounded worker who will be able to withstand the trying test of tomorrow.

The plant physician, assuming him to be of



Employment Office, Port Arthur Works; Waiting Room and Safety Museum off of the Waiting Room

## *The TEXACO STAR*



New employees being shown about the plant at Fort Arthur Works, especially to locate important departments

the humanitarian type, is most important in this program of building better business through building better men. The plant physician holds the measuring stick of physical fitness as well as the magic wand which permits the new worker to enter the land of better health and greater fitness. The Employment Supervisor and the Doctor are the first company representatives with whom the new man has contact, and his impressions of the Com-

pany for which he expects to work will largely be formed through the acts and attitudes of these two parties.

The Employment Supervisor of the plant is the first of the company representatives to meet the new employee. In fact he selects the applicant who is chosen to fill any vacancy that may be existing in the organization. After making the selection, the applicant is taken to the employment department where he is given a personal interview and where the necessary paper work is completed. The applicant is taught his first lesson in safety as he enters the plant for the first time, having his attention called to the warning concerning the carrying of red headed matches into the plant, being requested to deposit any that he might have. Employees are taught not to use strike-anywhere matches either in the plant or at home.

The personal interview that is accorded each applicant is not only for the purpose of fixing definite assignment relative to vocational fitness but also to establish a friendly contact at the outset between him and the company of which he expects to become a part. General policies of the company, including insurance, vacation, and other plants, are pointed out and interpreted to him. The nature of the work



Doctor giving physical examination

## *The TEXACO STAR*



Aerial view of Port Arthur Terminal

for which he is being employed is outlined to him; possible opportunities for development and advancement are pointed out; and every possible existing wrinkle between the worker and the company is ironed out from the start so that there may be no future misunderstanding of the labor contract between the worker and the company, which is so important in the interests of maximum efficiency. The breaking of step in the industrial ranks can largely be attributed to the lack of clarity between these two parties when forming a labor contract.

When a number of applicants are being interviewed and waiting is necessary, those awaiting their turn are furnished with reading material, company publications, *etc.*, and have also an opportunity to view exhibits in the safety museum which is a part of the employment department. The item of industrial safety is explained to them with emphasis, in a group meeting after the personal interviews have been completed.

By this time there will have been a decision reached on the part of both the employment supervisor and the applicant regarding the completion of the labor contract which has

been begun. It is foolhardy for an applicant to become associated with an organization whose policies he is not in accord with, and it is equally detrimental for a company to endeavor to make a part of it a worker whose mental attitude is out of balance with their concern.

Assuming that the agreement is mutual, the applicant is next turned over to the physician of the plant who verifies the physical selection of the Employment Supervisor. These physical examinations are carried on in clinics which are of the most modern type and whose equipment is up to the last minute. The purpose of the physical examination is not simply to check the new timber coming into the work force and to place applicants in positions that they are physically able to handle, but also to point out to the new employee certain minor physical defects which may be existing and to recommend practical measures to be taken toward their correction. If heeded by the applicant, which invariably is the case, this can do nothing other than constantly improve the physical side of the work force that goes to make up the company.

The doctor is the second company repre-

## *The TEXACO STAR*



Office, Dormitories, and Clubhouse, Port Neches Works

sentative with whom the new employee makes contact and he must not only be a most capable physician but he must be a diplomat and a keen student of human nature as well, bearing in mind that the applicant is rapidly forming impressions of the company through him and that though the formation of these impressions may be in rapid order they are nevertheless more or less of a lasting nature. Before the doctor has finished with the applicant he gives him personal instruction in the Prone Pressure Method of Resuscitation. This not only furnishes the applicant with valuable knowledge that may at some unlooked for time stand him well in stead, but it builds up a further friendly relation between the applicant and the doctor, so essential in further physical improvement.

When the applicant has finished with the clinic he is taken out for a general inspection of the plant, shown the actual job where he is to work, issued his plant badge and time card, shown how to ring the clock, and informed that he will be met at the gate on the following morning and taken to the job where he will be introduced to his foreman.

The days of grabbing men at the gate and shoving them out on the job to work without

thought of fitness, possible future reactions, or information concerning the company which they are entitled to know, have passed. These new workers are carefully selected by a supervisor who is specially trained in the selection, assignment, and training of man power. The labor contract between the workers and the company is carefully unfolded and explained; they are given a preliminary education relative to relationship between themselves and their job; and they are afforded a careful and painstaking physical examination by a competent and interested physician.

To the frictionless operation of an industrial work force there is nothing of greater importance than initial employment, which is so necessary in the toning down and the tuning up of these restless human cogs of industry. In this respect The Texas Company has spared neither effort nor expense; for it has been realized that tomorrow's turnover, tomorrow's production, and tomorrow's accidents largely depend upon the new man and the method by which he is inducted into the organization.

The secret of quality is contentment of the work force and Texaco refineries are truly striving to become something other than just a place where oil is refined.



## *The TEXACO STAR*

### Difficulties in Corporation Reports for State Taxes

REINHOLD HEKELER, Assistant Secretary, The Texas Company

Address before National Tax Conference at New Orleans, November 9-13, 1925

At the present time, if a business enterprise is carried on in more than one state, the persons conducting it find themselves taxed in as many different ways as there are states in which the business is conducted. And there seems to be no end to the confusion. The trend seems to be toward a greater variety of methods for taxing corporations, and legislatures apparently do not realize the burden they are imposing in making corporations prepare such a multitude of tax returns. Professor H. L. Lutz, in his interesting book on Public Finance says that it has been impossible to curb the tendency toward diversity in taxing methods and the result has been a bewildering variety of taxes levied on property, capital stock, gross and net earnings, and other indicia of corporate capacity.

A corporation doing business in all the states of the Union has to contend with such a variety of tax laws that it requires the employment of a large staff of experts to look after its tax matters. So many changes in tax laws are made when the state legislatures meet, that the tax experts must continually keep on the lookout for fear of overlooking some new tax requirement of a state or endangering the corporation's right to do business in that state.

I am not stressing the fact that taxes are continually mounting and mounting, and that the favorite "indoor sport" of legislatures is to add more and more taxes on corporations. The same amount of taxes could be collected if a uniform system were devised. The rate of tax could and would undoubtedly vary according to the budget requirements of the state, but the many varieties of taxes place an unjustifiable burden on business men, which can and should be eliminated. As stated, I am not complaining of the amounts corporations pay in taxes, but at the same time it will be of interest to know that the corporation I represent paid for 1924 in taxes approximately 70 cents for each \$1 paid in dividends. Our company paid for 1924 taxes \$2.15 for each share of stock issued and outstanding, and when we consider that this company has over 30,000 stockholders, residing in every state of the Union, it becomes clear that in taxing corporations the legislatures are taxing their own citizens.

Corporations are frequently more heavily taxed than individuals are. A man who has a business in Illinois, for example, will be taxed on his real and personal property; but if he forms a corporation to conduct this business, such corporation will be taxed on the real and personal property as the individual is, and in addition it must pay a heavy franchise tax. This makes the corporation a victim of double taxation. On this question Frederick N. Judson said in his address before the Twelfth Annual Tax Conference at Chicago on the subject "Some Constitutional Aspects of Taxation":

"In some states, notably Massachusetts, New York, and Wisconsin, elaborate state income tax systems have been adopted. The evil of double taxation has been sought to be, to some extent, avoided by making the income tax substitutionary, that is, by exempting from the general property tax the personal property consisting of intangible securities. It is obvious, however, that wherever the tax is levied both upon the income and the property from which the income is derived, we have double taxation. Other states are adopting the income tax, not as substitutionary, but as supplemental to a system of property taxation, without any exemption of any class of property from which the income is derived. In such cases we not only have the double taxation incident to such an income tax, but also triplicate taxation, when the same tax is levied by federal and state governments."

Few persons realize what it costs a corporation to prepare tax reports and to attend to the payment of taxes, aside from the amount of money paid for the taxes themselves. An expenditure of many hundreds of thousands of dollars is incurred each year by my company in maintaining a separate tax department under a director and divisional heads both in New York and in the South and the West, assistants in New York and Houston, a large force of accountants and statisticians, engineers, etc. The company derives absolutely no income or profit from this expenditure, which could be greatly reduced if there were uniformity in state taxes and the consequent tax returns.

Every state has a different kind of form on which tax returns or reports of business done must be reported to the state authorities. Some states require only a list of officers and directors; others require in addition a report of the location and value of all tangible property owned by the corporation in the state; others call for figures showing gross receipts

## *The TEXACO STAR*

from sales or manufacture within the state; others ask for figures contained in the federal income tax return and a copy of the annual statement or balance sheet of the corporation, and so on. The dates as of which these reports are made vary, so that the company must take inventories at various times during the year.

Then, in addition to all the foregoing, some states require the filing of lists of stockholders, and the dates as of which these lists are compiled vary, so that one list for all states will not suffice; it is necessary to prepare many lists, all at the expense of the corporation.

In 1924 the corporation I represent filed 187 state reports covering its operations, to say nothing of about 25 other state reports it had to file on behalf of its subsidiaries. This means approximately 4 reports each week, but the work of preparing these reports cannot be spread over the year so that 4 could be prepared each week. Many of the reports are due about the same time, so that during some months the corporation's tax department is unreasonably over-burdened with work.

We filed franchise tax returns in all but two or three states. These were called either franchise, license, excise, or capital stock returns, or certificates, or annual reports. In most of these states a franchise tax was collected based on these reports. Many states require a franchise report and in addition a license report, or they collect both a franchise and a license tax. These states are Alabama, California, Delaware, Missouri, Montana, Nebraska, New Mexico, Rhode Island, South Carolina, Tennessee, and West Virginia. In the following states we filed corporate income tax returns: Connecticut, Missouri, Montana, North Caro-

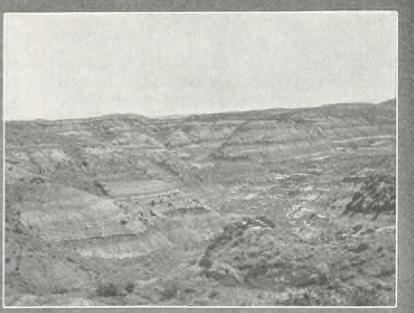
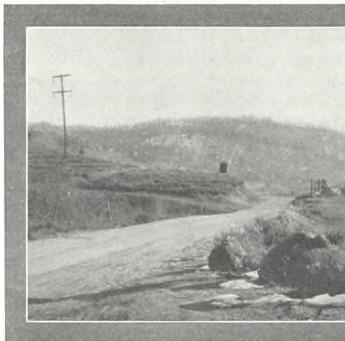
lina, North Dakota, South Carolina, Virginia, and Wisconsin. In addition we filed miscellaneous reports in Arizona, Arkansas, Massachusetts, Missouri, Nebraska, New Hampshire, Ohio, South Carolina, and Vermont. We also filed lists of stockholders in many states, and information as to transfers of stock.

In addition to all these returns we filed lists in various states showing resident employees who received salaries in excess of certain amounts, and in some states, New York for example, we had to withhold personal income taxes from non-resident employees and remit to the state, thus making us the state's collecting agency, without any compensation for our efforts and expenses incurred in so doing.

Then there are states that impose a merchant's license tax in addition to all other franchise or capital stock or income taxes. In Delaware there is a merchant's license tax based on gross receipts. In Missouri there are two merchant's license taxes, one based on the value of the greatest amount of merchandise on hand between certain dates, and the other based on the volume of business done during the year. Pennsylvania's merchant's license tax is based on volume of business, and Virginia taxes merchants on the amount of purchases made during the year.

The foregoing remarks show conclusively that some action must soon be taken. Something must be done in the near future to simplify the work expected of corporations in apprising taxing authorities of the taxes due.

This matter is of such importance that there should be no delay, and no effort should be spared to bring about the necessary action by all of the states in the Union.



Where the "Harding Way" passes over the Continental Divide, fourteen miles south of Butte, Montana, altitude 6,000 feet.

## The TEXACO STAR



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## Stranger than Fiction

L. C. OAKLEY, New York

"Such things have chanced to me  
As one .....would scarcely tell a friend  
For fear of mockery."

Early this winter I received a letter in the envelope shown in the above photograph. One of the two L. C. Oakleys designated on that envelope had a curious experience in the Old North State about five years ago.

I was in Winston-Salem on a matter of worldly business in The Texas Company's interest. I had sent a telegram regarding purchase of a refined station site. The telegram addressed to me there, which I received as a reply, appeared incompetent, irrelevant, and immaterial. Puzzled at its contents I called at the telegraph office and received an intimation that I was not L. C. Oakley. I stated that I would like to see him, if in stock. The telegraph messenger kindly obliged, and substantially this dialogue followed:

I: "Are you L. C. Oakley?"  
He: "Yes."  
I: "So am I; I was named for my grandfather."

He: "So was I; mine was a physician.  
I: "So was mine."  
He: "Mine came from Orange County."  
I: "So did mine."

(Business of consternation, I wondering if we were two Dromios or two Hippodromios.)

At this, however, the parallels diverged; for his grandfather came from Orange County, N. C., and mine from Orange County, N. Y.

There are probably more L. C. Oakleys in this country, but the long arm of coincidence is not likely again to reach so far from New York to hand me a telegram meant for another of that name.

I had another strange experience some thirty years ago while employed by the New Haven Gas Light Company. A consumer on Derby Avenue complained of gross inconsistencies in bills. Developments showed grounds for complaint by the Company in the case of another consumer in the same house. This we learned after I was sent to Derby Avenue on the consumer's complaint.

## The TEXACO STAR

At that time my employing Company bought two makes of gas meters, Tufts meters and Glover meters, but only the serial numbers appeared in inspectors' and cashier's records. These serial numbers were stamped on brass plates, soldered to the fronts of meters.

I called at the consumer's address, descended to the cellar, and read figures on the dial of meter with serial number handed me, found the Company's contention correct, and started upstairs. *The meter was a Tufts, and the number, as I recall it, one above 134,000.* It was on the back of a brick pillar, less than two feet square.

Halfway up the cellar stairs, I wondered what might be the number of another meter

I knew must be there, as two families lived in the house. So I went back—and on the front of the pillar found a *Glover meter, of the same serial number!*

These conditions had escaped notice because one meter was read monthly, and the other, lately installed, quarterly.

I suppose Tufts never sold another meter with that serial number—and I suppose Glover never did.

That the two should be sold in the same city might seem odd: that they should be installed in the same street would look odder; that they were installed two feet from each other seemed to me hardly short of miraculous.

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*Continued from page eight*

sufficient to warrant the expense of extraction. But nothing of the kind was done, and so far as I know there is not a law on any statute book dealing with this matter. Yet no quantity of gasoline to speak of is being wasted through the burning of gas for fuel and illumination. The industry as a straight economic measure has seen to it that gasoline plants were installed and that the extraction took place.

My feeling is that the work of this Board has greatly stimulated research. Already in one particular branch of the study strides have been made, and they are the result largely of the interest that was awakened by the questionnaires. What I have in mind is the increased recovery of oil from the sands and recovery from abandoned sands. A few, but not many, realized how much oil is left in the ground and abandoned apparently forever, under present and previous practice, until the President sounded the alarm and asked for conservation and this Board began its work. The progress that has been made in a few short months, particularly in the adoption and use of air methods, would seem to fully warrant the effort that is being contributed. It is rather shocking to think that with all the brains and engineering ability, with all the inventive genius for which our country is renowned, we should not be able to recover more than one-fourth of the oil that reposes in a stratum underground. What we are actually engaged in is a mere skimming operation. I am very confident that in the course of time

our present practice will appear worse than amateurish. The opportunities here are enormous in extent, the reward for success fabulous in amount, and we may expect invention on the same scale. Reflection upon this point, the possibilities of research, must inevitably cause the item of legislation, state legislation, to become insignificant. And the same might be said of research in other directions, particularly in manufacture and in the higher and more economical use of products. Whatever the states may enact will be merely a few rules of the game—a few new rules, to find place with existing rules, written and unwritten. They will be in contrast with the game itself.

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### CRUDE OIL PRICES AT WELL

February 28, 1926

Penna., Bradford	... \$3.00	Eldorado	... \$1.75 to 1.85
Other Penna.	... 3.80	Smackover	... 1.00 to 1.40
Indiana	... 2.00	Haynesville	... 1.75 to 1.85
Canada	... 2.63	Homer	... 1.60 to 1.95
Ragland, Ky.	... 1.15	Caddo	... 1.85 to 2.20
California	... 85 to 2.30	DeSoto	... 2.05
Oklahoma & Kas.	1.40 to 3.32	Bull Bayou	... 1.70 to 2.00
N., NC, C., Tx	1.40 to 3.32	Crichton	... 1.85
Luling	... 1.10	Wyoming	... 1.35 to 2.15
Gulf Coast	... 1.25 to 1.50	Colorado	... 1.25 to 1.60

There are more than 12,000 men and women employed as recreation directors in this progressive country, but of course they can't be on duty all the while, and we suppose the children contrive to have considerable real fun in between times.—*Ohio State Journal*.

## The TEXACO STAR

### Hydroplane PN-9, No. 1, Answers

From Lieutenant B. J. Connell, U. S. N., Bureau of Aeronautics, Washington, D. C.

Editor's Note.—The article "Insurance Angle in the Loss of the Shenandoah and Failure of the Hydroplane PN-9, No. 1," in the January issue, was admitted because the editor understood that it treated solely of the insurance angle with respect to ratings of insurance for commercial aviation. If it had appeared to him that any question of fact open to controversy was involved, the article would not have been admitted. When Lieutenant Connell's communication was received the editor proposed to him that enough of his letter should be printed to put before readers of the *Star* his correction about the winds actually encountered, omitting details; but he insisted that his communication should be printed in full. The editor accedes, and the communication is printed in full. But this must close the subject, because *The Texaco Star* is not a suitable forum for any extended discussion of such a matter.

Editor The Texaco Star: An article in your paper, by Mr. John P. Finley, consulting meteorologist and statistician, entitled "Insurance Angle in the Loss of the *Shenandoah* and Failure of the Hydroplane PN-9, No. 1," came to my attention.

Since I happened to be one of the crew of the PN-9, No. 1, on the flight from San Francisco to Hawaii, I wish to point out the inaccuracy of that portion of the article referring to our flight.

In paragraph 10 of the article, the author states that the facts upon which he based his information were obtained from a study of the daily weather maps of the United States Weather Bureau from August 29 to September 5, 1925. In paragraph 11 the author states:

"The PN-9, No. 1, began a southwestward flight from San Francisco on August 31, 1925. At the outset northerly to easterly winds were favorable under the influence of a high. The station ships were located on the airway line of flight at 200 mile intervals. Near the latitude of Honolulu the winds shift more to the east and southeast under the influence of typhonic lows moving northeastward from the Philippines and Japan Islands. The hydroplane was therefore deflected eastward off its course and missed the station ships *Aroostock* and *Tanager*, and lost the opportunity to refuel at the *Aroostock*, rendering the flying ship helpless and placing it at the mercy of a turbulent sea with low visibility on the southern edge of a typhonic low."

The above statement is incorrect and none of the conditions mentioned were encountered. At the start of the flight we encountered northwest winds gradually shifting to north about 400 miles from San Francisco. The wind from this point for the next 1,000 miles was generally north to northeast, but of low

velocity. At about 1,300 miles from San Francisco the wind shifted to northeast and remained so until we landed due to exhaustion of fuel. The winds in the vicinity of the Hawaiian Islands are generally northeast, and we encountered northeast winds during the entire nine days of our sail to the island of Kauai. These northeast winds enabled us to sail the plane from the point of landing to the island of Kauai, where we were located just as we were about to make our port, being then only 10 miles offshore. We did not have any southeast winds during the entire flight. To say that the PN-9, No. 1, was deflected off its course by the wind is absolutely untrue. All statements made verbally and in writing by Commander Rodgers clearly stated that he changed course and flew north, basing his change of course on radio compass bearings which later proved to be erroneous. This accounted for the fact that the PN-9, No. 1, did not locate the *Aroostock*.

The following table is compiled from the deck log books of the station ships along the course in order from San Francisco, showing in each case the distances in nautical miles from San Francisco, the time the plane passed each station ship (120th meridian time), and wind in direction and velocity at time of plane's passing each station ship:

Station Ship	Miles from San Francisco	Time of Passing	Wind	Velocity m.p.h.
<i>Aug. 31</i>				
Wm. Jones	200	5:58 p.m.	WNW	3
McCawley	400	9:00 p.m.	N	2
Corry	600	11:55 p.m.	NNE	1
<i>Sept. 1</i>				
Meyer	800	2:20 a.m.	N	1
Doyen	1000	4:45 a.m.	NNE	1
Langley	1200	7:40 a.m.	E	1
Reno	1400	10:30 a.m.	NEByN	3
Farragut	1600	1:00 p.m.	NE	3
Aroostock	1800	3:35 p.m.	NEByE	3
Tanager	1955	3:35 p.m.	ENE	4
				11-15

The plane did not pass the last two station ships listed in this table, the *Aroostock* and *Tanager*, but the time for these two vessels is given when the PN-9, No. 1, changed course, based on the radio compass bearings. The plane at this time was very near the *Aroostock*.

An examination of this table shows that easterly winds were not encountered during the first part of the flight, nor were southeast winds encountered near the Hawaiian Islands. In addition, a study of the weather maps covering the North Pacific from August 31

## The TEXACO STAR

to September 1, does not show any basis for the conditions as stated by Mr. Finley. These weather charts show that in the vicinity of the Hawaiian Islands the winds were approximately northeast on August 31 and September 1. Furthermore, a study of climatological data for this area shows that southeast winds are rarely experienced at that time of the year. The weather charts show that high pressure prevailed throughout the North Pacific on September 1, and it is difficult to see how the author conceived the idea of a typhonic low as influencing the Hawaiian Islands. If it had occurred to the author to request information regarding the circumstances of the flight, or if he had read any of the statements issued by Commander Rodgers, he would have found it unnecessary to invent a southeast wind, which did not exist, to explain his so called deflection eastward as the reason the PN-9, No. 1, did not locate the *Aroostock*.

In paragraph 12, the author states, referring to the needs of the aviator, "He really requires the advice of an expert climatologist whose trained judgment can be exercised immediately, reliably, and authoritatively." The writer is evidently not familiar with the meteorological plans for this flight. An officer with special aerological training was detailed to cover this phase of the work, together with Mr. Bowie, the Weather Bureau district forecaster. The wind conditions were studied back for a period of a number of years by Mr. Bowie. The station ships along the route at 200 mile intervals sent in necessary wind data before the flight at frequent intervals to aid Mr. Bowie in forecasting the weather. Preparations were carefully made. The following is an exact copy of the weather report furnished the PN-9 immediately before the start of the flight:

"Weather Bureau, San Francisco, August 31, 1925.

"Meteorological situation over the Pacific Ocean and the outlook for wind and weather over the flying route from San Francisco to the Hawaiian Islands:

"Situation To-day.—The area of high barometer referred to in previous report continues to dominate the wind and weather conditions over the ocean east of longitude 180 degrees. Its center is in approximately latitude 40 degrees north and longitude 150 degrees west, where the barometer stands near 30.40 inches. A disturbance of marked intensity is over the Bering Sea and moving eastnortheastward. Light northerly winds, velocity 8 to 12 miles an hour, with stratus clouds but no fog, prevail as far west as longitude 135 degrees west; beyond longitude 135 degrees to 145 degrees west the winds are mostly northeast, 10 to 20 miles an hour, and the sky overcast with strato cumulus clouds; beyond longitude 145 degrees

west, to and including the vicinity of the Hawaiian Islands, the winds are east and northeast and from 15 to 24 miles an hour and the sky generally clear. No fog reported along entire route; ceiling 1,000 feet or above.

"Outlook.—The indications point strongly to a continuance of the prevailing pressure situation and current wind and weather conditions along the flying route during the next 36 to 48 hours. *The conditions are exceptionally favorable for the start of the flight.*

E. H. Bowie,

Senior Meteorologist, in Charge.

"No fog reported along entire route; lowest clouds 1,500 feet; light northwest, west and north winds out to 300 miles—at 450 miles edge of trades—at 500 in trades—advise 1,000-2,000 feet altitude—Good luck and success.

B. H. Wyatt,  
Lieut., U. S. Navy."

The conditions as forecasted in the weather report were encountered very closely, especially as to direction of winds, but the velocity was much less than hoped for. This accounted for the fact that the PN-9 was unable to make a non-stop flight. This low velocity is also verified by the table.

I have presented four separate sources of information to prove the inaccuracy of the writer's statements, namely, a statement of actual conditions as observed on the flight; extracts from weather reports of all station ships; the weather as shown by a study of the weather maps for August 31 and September 1; and the weather report furnished by the district forecaster just before the flight.

I hope that my discussion will correct any erroneous impressions conveyed by Mr. Finley in the article as published in *The Texaco Star*.



Busy on Texaco errands

This staunch motor truck is one of those used by The Texas Oil Co. Ltd., London, England, for delivery of bulk gasoline.

## The TEXACO STAR

### LAW CURRENT

Robt A. John

**MUNICIPAL RADIO.**—A municipal radio broadcasting station, operated by a city as an aid to the police and fire departments, can not be used by an official who is a candidate for reelection in broadcasting political utterances. *Fletcher v. Hylan*, 211 N. Y. S., 727.

**WASTE OIL—OWNERSHIP.**—Oil lifted to the surface and thereafter involuntarily escaping, still belongs to the producer and may be reclaimed, or its value recovered. *Burton v. Miller*, 276 S. W. (Ark.), 999.

**WASTE OIL—OWNERSHIP.**—Crude oil delivered to a pipe line, upon escaping through a break in the same and being captured by another, is not owned by the captor, but by the pipe line. *Crosson v. Lion Oil & Refg. Co.*, 275 S. W. (Ark.), 899.

**COMMON CARRIER—DEMURRAGE.**—The lien of the carrier for demurrage is lost if the carrier surrenders the property to the consignee. *Vanderbilt v. Planters Oil Mill & Gin Co.*, 106 Southern (Miss.), 14.

**OWNERSHIP—OIL IN SITU.**—Under the usual granting clause in a customary oil and gas lease, title to the oil is in the lessee. *Stephenson v. Glass*, 276 S. W. (Texas), 1110.

**OWNERSHIP—OIL IN SITU.**—Under a customary oil and gas lease, where covenant to begin operations is not fixed, the lease does not grant any title to the oil in the ground, but simply grants the right to prospect for oil and gas, no title to such substances passing until the oil is reduced to possession by extracting the same from the earth. *Hitt v. Henderson*, 240 Pacific (Okla.), 745.

**ROYALTY OIL—TAXATION.**—While the decision is based on a state statute, the rule announced in the case of *Robinson v. Jones*, 240 Pacific (Kan.), 957, is practically the universal rule that an overriding, or any other type, of royalty is subject to ad valorem tax against the owner of such royalty.

**MINERAL LEASES—DUTIES INTER SE.**—There is no relation of special trust or confidence existing between lessor and lessee in an oil and gas lease. They can deal with each other at arm's length, each for his own interest. The better informed has the right to make a shrewd bargain. *O'Donnell v. Snowden & McSweeney Co.*, 149 N. E. (Ill.), 253.

**MINERAL LEASES—FORFEITURE.**—An oil or gas lease in Texas implies that reasonable diligence will be used to develop the entire premises; but such a covenant being implied, forfeiture is only permitted upon breach of an express covenant. *Stephenson v. Glass*, 276 S. W., 1110.

**MINERAL LEASES—FORFEITURE.**—In an oil and gas lease there is an implied covenant by lessor to develop within a reasonable time, and where there is a breach of this covenant the court will forfeit the lease, is the rule in Oklahoma. *Hitt v. Henderson*, 240 Pac., 745.

**MINERAL LEASES—FORFEITURE.**—In a suit in equity to enforce forfeiture of a mineral lease because of failure to pay rentals provided therein, when the default is not willful and tender is made within reasonable time, equity will not enforce a forfeiture, the estate having been vested by the drilling of a well producing gas in paying quantities. *Engel v. Eastern Oil Co.*, 130 S. E. (W. Va.), 491.

**MINERAL LEASES—FORFEITURE.**—Where a lease is subject to forfeiture under its terms, and lessor, with knowledge of the same, stands silent when further drilling is prosecuted, he is thereafter estopped from claiming the lease is forfeited. *Transcontinental Oil Co. v. Spencer*, 6 Fed. (2nd), 866.



Newton Road, Hobart, Tasmania

Laid with asphaltic concrete on which Texaco No. 45 Paving Cement was used. This work was supervised by Mr. Repko in conjunction with the Hobart Engineer. The road has received much favorable comment throughout Tasmania.

The footpaths were also constructed of No. 45 Paving Cement, using the sheet asphalt mix.

Order is man's greatest need, and his true well-being.—Amiel.

## The TEXACO STAR

### DEPARTMENTAL NEWS

The managers of the respective Departments have assigned to the persons whose names are here given the duty of sending to *The Texaco Star*, so as to be received by it before the 25th day of each month, departmental news, photographs, and other items of general interest. Material for this purpose should be sent to them before the 20th of the month. All are invited to coöperate.

Refining Dept.  
Natural Gas Dept.

Ry. Traffic & Sales Dept.  
Marine Dept.

Legal Dept.  
Treasury Dept.  
Comptroller's Dept.

Insurance Dept.,  
Governmental Reports  
Sales Dept. S. Territory  
Sales Dept. N. Territory  
Asphalt Sales Dept.  
Export Dept.  
Purchasing Dept.

Producing Dept.  
Pipe Lines  
T. T. Co. of Mexico S. A.

C. K. Longaker, Houston  
W. H. McMorries, Jr.,  
Fort Worth  
J. A. Brownell, New York  
H. H. Hart, Port Arthur  
H. Norris, New York  
H. Tomoford, Houston  
H. G. Symms, Houston  
R. Fisher, New York  
B. E. Emerson, Houston  
P. A. Masterson, New York  
C. A. H. Edwards, New York  
L. C. Oakley, New York  
R. C. Galbraith, Houston  
Geo. W. Vos, New York  
J. I. Smith, New York  
J. B. Nielsen, New York  
J. A. Wall, New York  
J. E. McHale, Houston  
J. T. Rankin, Denver  
Otto Hartung, Houston  
Fred Carroll, Houston  
C. W. Pardo, Tampico

**REFINING DEPT.** The new year was marked by some important organization changes and transfers in the Refining Department. The *Star* is glad to note the following promotions.



W. K. Holmes

out of service two years he returned to the Engineering Department, Port Arthur Works, in 1910. In 1912 he became Assistant Superintendent, West Dallas Works, and in 1915 he was appointed Superintendent of the West Tulsa Works, the position he held up to his recent promotion.

During the time he was in charge of West Tulsa Works, Mr. Holmes developed a number of devices which are of considerable interest to the petroleum industry as a whole. In addition, his activities along research and development lines, particularly processing, were

outstanding, which had considerable bearing on his promotion to First Assistant General Superintendent of Port Arthur Works, where he will be given a freer hand in a broader field for further progress along such lines.



L. F. J. Wilking

On January 1, 1926, L. F. J. Wilking was appointed to the position of Superintendent, Port Neches Works. Mr. Wilking entered the service of The Texas Company on March 11, 1908, as a chemist at Port Arthur Works. On January 1, 1914, he became a treater, and on January 1, 1915, he became Chief Treater. On January 1, 1921, Mr. Wilking was appointed First Assistant

General Superintendent at Port Arthur Works. On July 1, 1925, he went to the Casper Works as Acting Superintendent, and held that position until his recent promotion to the superintendence of Port Neches Works.



H. M. Herron

Effective January 1, 1926, H. M. Herron was appointed General Superintendent, Terminal Division, headquarters at New York. Mr. Herron entered the service of The Texas Company on November 3, 1910, as stenographer, and was transferred to the Houston General Office on February 5, 1911. He later served as Chief Clerk, South

ern Terminals, Houston, and Chief Clerk, Port Arthur Terminal and Case and Package Division, Port Arthur. On August 1, 1916, he became Superintendent Port Arthur Terminal. On August 1, 1917, he was appointed Assistant Superintendent Bayonne Terminal, and was later transferred to Delaware River Terminal as Superintendent. On January 20, 1921, he was appointed Assistant General Superintendent, Northern Terminals, and on January 8, 1923, when the Terminals were consolidated, he became Assistant General Superintendent

## The TEXACO STAR

of the Terminal Division, with headquarters at New York. On January 1, 1925, Mr. Heron was appointed Auditor of Operations, Refining Department, and held that position up to the time of his recent promotion.

A. S. Bailey was appointed Superintendent, Casper Works, on January 1, 1926. Mr. Bailey entered the service of The Texas Company on June 1, 1907, as an engineer at Port Arthur Works. After five years he obtained leave of absence to continue his education at the University of Cincinnati. Mr. Bailey returned to our service on August 1, 1915 as Engineer, Northern Terminals, New York Office. On January 1, 1916, he was transferred to Providence Terminal where he became Assistant Superintendent on August 1, 1916. On February 15, 1917, he returned to Port Arthur Works as Chief Engineer and served in this capacity until January 8, 1923, when he was appointed Second Assistant General Superintendent, Port Arthur Works, holding this position until his recent promotion.



T. G. Dellinger

ger was appointed Superintendent, West Side, Port Arthur Works. On January 1, 1923 he became Area Supervisor, West Side, serving in that capacity until his recent appointment.

### WATER SHIPMENTS BY THE TEXAS COMPANY FROM PORT ARTHUR, TEXAS, MONTH OF FEBRUARY, 1926

Refined—Coastwise	882,988 bbls.
Refined—Foreign	410,959 bbls.
	1,302,947 bbls.
Crude—Coastwise	227,604 bbls.
Crude—Foreign	16,166 bbls.
	243,770 bbls.
Total	1,546,717 bbls.

Page twenty-two

**TREASURY** H. J. Flake, Dallas District Creditman, recently visited the

DEPT. Treasury Department in Houston, on the occasion of his attendance at the annual meeting and banquet, at San Jacinto Inn, of the Houston Association of Creditmen.

J. E. Brophy, Florida District Creditman, also made us a visit, his trip from Jacksonville to Houston being in the nature of a reward for Florida District's collection percentage of 90% in December, the highest percentage ever made in the Southern Territory.

**SALES DEPT.** **Houston District.** An interesting meeting was held in the District Office

**S. TERRITORY** on February 13 when Messrs. Vos and Osborne of New York gave illuminating addresses to our sales executives and representatives on Advertising in relation to Texaco Motor Oils. Various demonstrations on the qualities of our motor oils were made and the meeting as a whole was very instructive.

P. H. Powell has been appointed agent at Woodville Station on February 1, *vice* Jay Kelley who resigned to devote himself to his own business. We are sorry to lose Mr. Kelley but feel that we have a worthy successor in Mr. Powell.

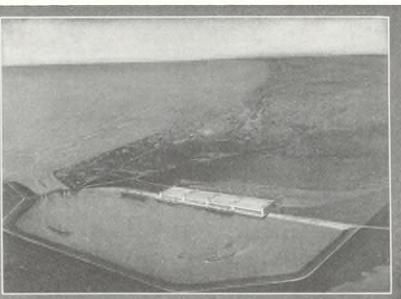


A. G. Beach Service Station, Coleman, Texas  
Mr. A. G. Beach writes:

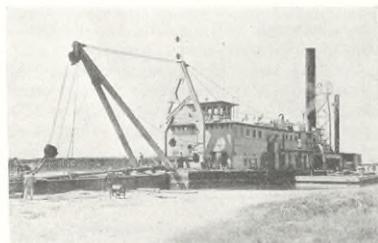
"I note in the January issue of the Star a picture of C. E. Beach Filling Station in New London, Connecticut. C. E. Beach is my brother. He is selling Texaco in Connecticut and I have a station here selling Texaco in Texas. I did not know he handled Texaco Products and he does not know I am handling Texaco here. We think we are doing a pretty good business here in Texaco gasoline and motor oil. I built this station and opened for business May 4, 1925. There has never been a drop of anything but Texaco gas in the tank yet, and I hope to say the same thing five years from now."

Mr. Beach's station in Coleman is a credit both to him and to The Texas Company.

## *The TEXACO STAR*



Corpus Christi—where Texaco meets the sea. The turning basin and port now under construction at Corpus Christi, Texas. Five million dollars are being spent by the City and the Federal Government on this project which should be completed this year. Corpus Christi is a port of exit and entry not only for South Texas and Northern Mexico but for territory extending throughout several States.



United Dredging Company's Dredge "Tampa" which has just completed the turning basin for Corpus Christi port. This dredge is lubricated throughout with Texaco, using Marine Cylinder Oil, Dolphin Oil, Winner X, Crater Compound, and Cup Grease No. 3.



With all of these pelicans we can always get Pelican Oil at Corpus Christi.

We were grieved to learn of the death of the little daughter of Agent Kehoe of Clinton Sales Terminal. An attack of pneumonia proved fatal. We extend our profound sympathy to the bereaved parents.

**Dallas District.**—A meeting of all rep-

resentatives and salaried agents of the District was held in Dallas on February 12-13 in the Roof Garden of the Jefferson Hotel. The meeting was in the interest of advertising and was conducted by the Superintendent of the Advertising Division, G. W. Vos, of New York. Valuable information was gained from the demonstrations and the men were enthusiastic over the methods of presenting the facts about our products. W. H. Noble and E. A. Rulfs, of Houston, were present, Mr. Noble conducting the meeting on the second day.

We are gratified to note that a number of our agents are coöperating with the Advertising Division and sending in page ads.

**Oklahoma District.**—Vice President W. W. Bruce, of New York, and Assistant Manager W. H. Wagner and Department Agent G. M. Worthington, of Houston, visited our D. O. for several days in January. These gentlemen inspired all who came in contact with them, and another visit from them is being looked forward to.

The consensus of opinion is that the two days meeting held February 10-11 was the best the boys in this District ever attended. The first day was devoted to general matters and topics, and much good was derived therefrom. The second day was given over to Messrs. Vos, Osborne, and Buchanan of New York. The discourse and exhibit supplied by Mr. Vos was highly instructive and beneficial, also the motor oil demonstration by Mr. Osborne. The two should and will be productive of great results from our field force.

## The TEXACO STAR



Warehouseman Ivey Welch, better known as "Bevo" (and little daughter Madge), Tulsa, Oklahoma. Agent Wallace of Tulsa Station says Bevo can be found at any hour day or night. He got up the other night to deliver some Crater Compound which a customer badly needed to take to the oil fields. Another S. O. S. call for gasoline was delivered, Bevo telling the customer our motto was "Service Day or Night." Needless to say, these two parties are firm friends of Texaco, thanks to Bevo. More service like this at other stations will go a long way to increasing our list of customers. The agent or salesman is not the only one who is responsible for sales; every man on the pay roll should be a salesman for Texaco.

### Appointments and changes:

S. H. Allman, Agent, Hot Springs, Ark., *vice* E. H. King transferred to Atlanta District.

S. S. Luper, Acting Agent, Blackwell, Okla., *vice* W. H. Scott resigned.

G. F. Dusbabek, Agent, Enid and Okeene, Okla., *vice* Foy Albert, at Enid, resigned.

H. H. Smith, commission agent at Hollis, Okla.

Order Clerk V. E. Colley of the D. O. has been appointed Assistant Agent at Little Rock, Ark., effective February 1, and D. N. Beitzman, bookkeeper, is the new Order Clerk. D. R. Davis of the Lube department, effective February 1, was appointed Assistant Agent at Muskogee, Okla. Steps up the ladder for all the boys, which we are glad to see. We wish them success in their new positions.

The D. O. has recently felt the darts of cupid, Miss Mary Sutherland taking a "sneak" and pulling it off as a surprise. Mrs. Hoover is the new name by which Miss Mary is being addressed. Chief Accountant Bernie Mounts broadcasted his marriage to the world beforehand, and really acted like an old married man several weeks before the ceremony, going around with a rather serious dignified manner. Congratulations to all.

The D. O. on February 17 gave an informal dance to all employees and their friends. The get-together was certainly a success. A six-piece orchestra furnished the music. The Charleston sharks strutted their stuff, Luella Schmidt and Eddie Scarlett appearing to be the best in this line. Mrs. R. T. Shirley won first prize at the bridge tables, Superintendent

Dougherty running her a close second. Of course the punch bowl was in evidence during the evening. The bunch hopes to have another sometime soon.

**New Orleans District.**—In January a group meeting was held at Alexandria, La., of agents and representatives in the State of Louisiana, and another at Jackson, Miss., for the Mississippi field men. Present at both meetings were Messrs. Noble and Dattner of Houston and the District Manager's staff. Beneficial results are sure to accrue.

In February a very interesting and instructive meeting was held in the District Office at which representatives and agents from Louisiana and Mississippi were in attendance. W. F. Osborne of New York gave a most enlightening demonstration of Texaco Motor Oils in comparison with competitive products, and he was followed by Advertising Superintendent Vos whose talk will certainly be reflected advantageously in more ways than one.

We had the pleasure of entertaining the "Texaco Bulls," representatives from various points in Northern Territory, who were *en route* to Port Arthur for a trip through the refinery. The Bulls arrived *en masse* on Monday morning, the day before Mardi Gras, and arrangements had been made to entertain them in New Orleans that day and the following Mardi Gras day. The Bulls proved to be bully good fellows and those of us in New Orleans District who had the pleasure of making their acquaintance hope the acquaintance will soon be renewed.

Announcement has been received of the arrival of Betty Jane Bond on January 30 at



Montague Brothers' Station, Abbeville, La.

One of the largest filling station accounts in the territory of Abbeville Station. Its proprietors are great believers in Texaco Products.

## The TEXACO STAR



The Northern Territory "Bulls" in the Texaco truck which met them at the railroad station in New Orleans to take them to their hotel. The truck was emblazoned to proclaim to all and sundry that it carried "Texaco Bulls," but unfortunately the portion of the truck carrying that sign does not show in the picture. The second photo shows specimens of what the Bulls spent Mardi Gras day running around after.

the home of Assistant Agent C. L. Bond of Alexandria, La. Station. All of the Texaco Family join in welcoming the little newcomer to the fold, and in wishing for her a long and happy life.

We regret to record the passing of Mrs. M. E. Martin, mother of the wife of Agent J. C. Green at Belmont, Miss. Also last month F. B. Causey, mechanic in New Orleans Machine Shop, suffered the loss of his father, P. E. Causey. Our sincere condolences are offered to the bereaved families.

**Atlanta District.**—A meeting of all representatives and lubricating engineers was held in the D. O. on February 7-8 for the purpose of promoting sales. We were glad to have with us Superintendent of Sales W. H. Noble who assisted District Manager Jones in conducting the meeting. We also had with us District Manager M. A. Dyer of New Orleans District. The meeting was enjoyed by all and the representatives departed for home with a determination to make 1926 their hardest working year and to show a considerable increase in sales over 1925.

All representatives, salesmen, lubricating engineers, and salaried agents were called to Atlanta on February 18 to attend a meeting at the Ansley Hotel in the interest of advertising and motor oil demonstrations conducted by Superintendent G. W. Vos, Advertising Division, New York. Mr. Vos was assisted by W. F. Osborne, Supervisor of Lubricating Sales, New York, and Mr. Buchanan, a representative of Hanff-Metzger, Inc., of New York. The meeting was beneficial to all present and was very much enjoyed.

On February 10 we opened a station at

Tuskegee, Ala., with R. M. Howe as commission agent.

A. C. Fitzgerald, Atlanta City Salesman, has been appointed Representative Zone 4, headquarters Macon, Ga., succeeding J. R. Kinnett resigned.

W. M. Tatom, Representative Zone 16, was appointed Commission Agent at Nashville, Tenn., effective February 10. The position of Representative Zone 16 is not yet filled.

Born to Construction Foreman O. E. Brown and wife of Quitman, Ga., Mary Frances on February 8, weight 9 pounds.

Warehouseman L. R. League of Greenville, S. C. Station and Miss Annie Sue Ashmore of Greenville were married on January 16. Mr. and Mrs. League have our very best wishes.

**Florida District.**—Our District is most grateful to G. W. Vos and W. F. Osborne for the thorough and complete presentation of their respective messages, Advertising and Motor Oil Demonstration, at a meeting on February 16-17 in the Sun Parlor of the Burbridge Hotel, Jacksonville. Matters of value were also brought out by District Manager Dodge, Superintendents Smith and DeMore, and Chief Accountant Mueller.

Superintendent of Terminals W. B. Williams was a recent and welcome visitor to Florida District.

As usual Florida's January collections were very good. Out of 48 Stations, 13 made 100%, 13 made 90% or better, and 9 made 80% or better. Zone 7, comprising Bradenton, Clearwater, St. Petersburg, Sarasota, and Tampa, won the Creditman's Cup, averaging 96.74. Every Zone in the District with one exception averaged 85% or better.

## *The TEXACO STAR*



Texaco on the job at the operation of Florida West Coast Development Company, Homosassa, Florida. This temporary location is dispensing approximately 15,000 gallons per month. What will Texaco do in this vicinity when regularly established?

**SALES DEPT.** **New York District.** —  
**N. TERRITORY** In April 1914 there came to work for The Texas Company a hall boy, John J. Reynolds. John had the good habit of doing things right and

soon earned promotion. He earned steady advancement to responsible positions in accounting, and on February 11, 1926, he was transferred from Utility Clerk, New York District Accounting, to Assistant Creditman, Houston District.

Some of us wonder why John went to Texas. Well, about four or five years ago

there came to New York a real likable person, Miss Edna Tubb. She came for a visit from Waco, Texas, but liked New York and wanted to stay for a while. Being an industrious girl, it did not take her long to go to work for The Texas Company. She couldn't get away from Texas. Here she met John. Last fall they disappeared and when they came back Miss Edna was Mrs. Reynolds. Edna was brought up in Texas and we suppose she longed for the Lone Star State, and John, being the accommodating fellow he always was, agreed that



John J. Reynolds

he should give it a trial. These young persons have gone and they leave a host of friends who join in wishing them success and happiness. The picture is of John; sorry we have none of Edna, for her record is as good as that of her husband.

Zone 1 (the old Albany territory) has been so busy getting business that there has been little time to write about it. Zone 1 is the biggest and, we think, the best in the District. It has eleven stations: Hudson, Chatham, Albany, Watervliet, Schenectady, Amsterdam, Gloversville, Fort Plain, Cobleskill, Saratoga, Ticonderoga. It has a miniature terminal at Albany and its own repair and paint shops. Our representative in charge is T. J. Farrell, a native New Yorker, one of the few men in the District who knows Texas as well as Broadway, having spent considerable time in the Burk Burnett and Ranger fields. Mr. Farrell took charge in January and the Zone has been showing increases in gallonage and new business ever since. To start the ball rolling he personally secured the account of the Kennedy Garage at Albany with a capacity of 800 cars, one of the most modern in the world, having shower baths, rest rooms, electrical equipment, and every convenience. It is 100% Texaco. Not to be outdone, "Jimmie" Allen, Soliciting Agent at Saratoga, secured the Corinth Garage at Corinth with an average monthly gasoline gallonage of 10,000. Salesman A. C. Roth at Fort Plain signed up Spraker and Hodge, the biggest garage between Schenectady and Utica. Frank Mooney, Soliciting Agent at Schenectady, secured the Van Curler and Grotto Garages, both doing better than 10,000 gallons a month. We could go on naming new accounts.

Drivers and agents promoted:

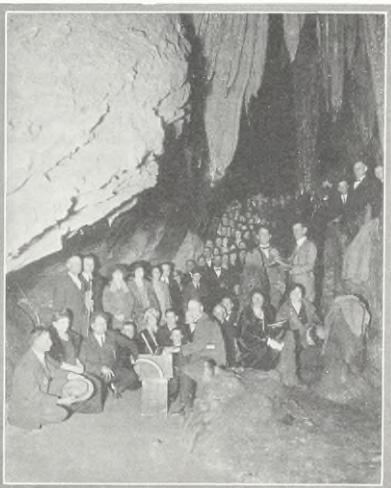
A. E. Guffin, from driver agent, Amsterdam, to soliciting agent, Cobleskill; L. V. Staley, from driver, Amsterdam, to acting soliciting agent, Gloversville; P. T. Nadeau, from driver agent to acting soliciting agent, Ticonderoga; E. Way, from driver agent to acting soliciting agent, Fort Plain; L. R. Eckerson, from clerk to soliciting agent, Amsterdam; E. Simmons, from driver agent to acting soliciting agent, Chatham.

Salesmen have been withdrawn in all these territories and these men are making good.

Soliciting Agent J. L. Flacke, a newcomer, increased the gasoline at Watervliet Station over 125% during December.

Ticonderoga shows 50% increase for the year; Gloversville shows over 100% gasoline increase for December, while Fort Plain and Amsterdam show close to 300% increase for the same month. Not bad records for Zone 1.

## *The TEXACO STAR*



Shenandoah Caverns—a church service 400 feet under the surface

One of the three caverns in the Shenandoah Valley of Virginia, visited by thousands of tourists every year. Photographs sent by L. Y. Kneisley, of the Shenandoah Oil Company, Inc., Distributors of Texaco Petroleum Products, Woodstock, Va.

**Boston District.**—We welcome to the District Engineers R. R. Repko and F. H. Meehan.

A diminutive Postal Telegraph messenger boy, who while delivering a telegram at the D. O. witnessed a letter being dictated on the dictaphone, inquired whether people all over the world could hear that man talking.

**Norfolk District.**—We were sorry to lose the services of such a good Chief Accountant and golf player as D. J. (Dave) Woodfall. This sadness, however, is overcome by the fact that J. R. (Jack) Walker, Assistant Chief Accountant, has been elected to fill the Chief's shoes. We all know that Jack will make good, as there is not a man in his organization who wouldn't go the limit for him, and "Coöperation is the backbone of Success."

T. D. (Tilly) McNeil, Equipment Clerk in the D. O., does not mind checking up loaned equipment. He took a flying trip to Elizabeth City, N. C., the other night to check up loaned equipment, and incidentally went to a fancy dress ball disguised as a "Business Man."

The establishment of a Texaco filling station at Shenandoah Caverns in the heart of the

Shenandoah Valley of Virginia is appreciated by thousands of tourists who are thus enabled to get the gasoline they prefer when they visit those marvelous grottoes. In a letter to the editor our distributors at Woodstock, Va., write:

The development of conveniences at the famous caverns has been in accord with the development of the caverns themselves. In the four years since they were opened to the public the Caverns Corporation has withheld no expenditure which would contribute to the pleasure and profit of visitors.

The Shenandoah Caverns offer such marvelous beauties that their chief source of advertisement has been the satisfaction and wonderment of those who visit this fairylane. The number of visitors is increasing by thousands. At no other place on earth has nature made more sublime her handiwork, and the vision of the Diamond Cascade—a jeweled cataract, Rainbow Lake—beautiful beyond description, and other features of magnitude and magnificence so impress the story upon visitors that they tell it wherever they go.

The increase in traffic necessitated the establishment of a filling station, and the Shenandoah Oil Company has made Texaco a part of the equipment for the tourists who are seeking the incomparable beauties of the Valley.

The Valley's history is intertwined with romances of war and peace, and almost all of this history was made on the great highway which runs from the Potomac to the North Carolina line—within a few minutes drive to the entrance of the Caverns. A visit to the Valley

## The TEXACO STAR

without a stop at the Shenandoah Caverns would be as incomplete as a journey to Rome without seeing the Vatican.

A modern hotel, equipped to serve visitors in a satisfactory manner, is at the very entrance of the caverns, and tourists who contemplate a visit to the Shenandoah Valley should write for a beautifully illustrated booklet which is mailed free of charge from the main office of the Shenandoah Oil Company, Inc., at Woodstock, Virginia.

**Minneapolis District.**—The Port Arthur Trip Committee announced the winners of the Port Arthur Trip: Representatives T. W. Morris of Zone 8 and C. E. Kinser of Zone 4. Representative C. A. Bryan, Zone 9, came third, losing by a shade despite a wonderful showing made. Messrs. Kinser and Morris have started on their coveted trip, and we know they will leave a favorable impression of the Norsemen on all with whom they come in contact.

Creditman L. E. Miller's statement of Accounts Receivable in Minneapolis District shows:

Not Due Accounts	86.47%
X Accounts	7.66%
XX Accounts	2.64%
XXX Accounts	.25%
Over 90 Days	.20%
Accounts Receivable "B"	2.64%
Notes Receivable	.20%
	<u>100.00%</u>

The D. O. welcomed Auditors E. C. Breeding and R. P. Yeatman to the "Land of Lakes" on January 19. We were sorry Mr. Yeatman had to leave so soon, having been assigned to foreign service. Former Station Auditor Claude Bailey succeeds Mr. Yeatman as District Office Auditor. Many of us welcome an old friend.

We welcome back to our vicinity B. W. Freeman as the Operating Agent at Twin Cities Station. Mr. Freeman was formerly



Bulk Station, Belfield, N.Dak.—Agent Al Redmond.

Price Clerk General of the D. O. and more recently Representative in Zone 10. We know friend Freeman will help put Texaco on top in the Twin Cities. "Mike" J. Theisen, City Salesman of St. Paul, has been appointed Zone Representative to succeed Mr. Freeman. We wish him all success.

Geo. Burchill will soon open a new filling station in Valley City. This will make two stations Mr. Burchill is operating there, which is evidence enough of his belief in Texaco.



A new broadcaster of Texaco at Parshall, N. D. This station is owned by Shubert Bros. of the Parshall Electric Co.



Our new wholesale Refined Station at Milwaukee, Wisconsin, which was completed by General Construction Foreman H. J. Clark the first of this year.



## *The TEXACO STAR*



Missoula, Montana Station—Bonner Mountain and logs in Blackfoot River

Agent and Mrs. W. M. Bowen of Hope, N. Dak., announce the arrival of a baby girl, named Carroll, on December 26. Congratulations, Mr. and Mrs. Bowen.

The Northwestern Automobile Show and Trade Exhibition was held in the Overland Building on the Midway between Minneapolis and St. Paul during the week February 6-13. Texaco was represented with a very attractive booth and many new friends were made for the Golden Motor Oil.

The D. O. Texaco Athletic Club is going strong. Their basket-ball team has won four games and lost one. The fourth game with Butler Brothers was won 14 to 12, indicating a hard fought game. With three games to play the outlook for the league championship is bright.

The loving are the daring.—*Bayard Taylor*

**Denver District.**—The "Texaco Girls" of the Denver Office were delightfully entertained at a Valentine party by Mrs. Gladys Richmond and Miss Bertha McDonald at the latter's home. Because the girls are firm believers in Texaco Home Lube the evening flowed along without a squeak or a stop. Texaco Star sandwiches and Thuban Compound salad were served, but the peak of refreshment perfection was reached when a huge snowy cake surmounted by a miniature oil derrick was presented. The party was very cleverly arranged and every girl carried off at least one prize.

The marriage of Miss Katherine Beard and Mr. S. C. Bartlett took place on Christmas Day. Denver District extends cordial good wishes.

We quote from S-180, No. 98406, C. D. Matthew, Colorado Springs, Colorado, Jan-



Cedaredge, Colorado Station

Agent V. A. Phillips writes: "I am mailing you a photograph of the station here at Cedaredge. The background at the skyline, is Grand Mesa, the world's largest flat topped mountain. There are more lakes and reservoirs on this one mesa than in all the other National forests of the State combined. These lakes are stocked from the hatchery here at Cedaredge and provide the best fishing in the State.

"This picture was taken in November and the falling leaves give the place a ragged look.

"We have nothing but praise for The Texas Company and Texaco Products. Their popularity in this district is shown by our steadily increasing sales."

## The TEXACO STAR

uary 2, 1926: "General call upon hospital viewing with great pride my new son. Chest expanded eight inches."

**Spokane District.**—We welcome P. M. Isbill, of the old El Paso District, to the Spokane D. O. as Chief Accountant.



Davenport, Washington

A very attractive station owned and operated by Agent T. J. Stockstill. A good gallonage goes through every month.

Item from Representative C. W. Leavitt:

Agent E. E. Ostrander, Twin Falls, Idaho, stepped out and got married February 4, 1926. Gene, she's a wonderful girl and all the gang in Southern Idaho wish you all the luck in the world.

The D. O. unites in good wishes.

From a Wallace, Idaho, newspaper:

Wallace bowling records were shattered Sunday when the Texaco Oil quintet won three in a row from Mullan in an "A" league match. The winners turned in a three-game total of 2817 to best the former record of 2804 set by the Ryan Fruit five. Morris of the Texaco Oils hit 267 in the final game. His record was three pins over the record hung up by his team mate "Cap" Boyd two weeks ago.



Agent J. P. Howell, Colville, Washington, and his truck. Jack "hits 'em hard" at Colville.

Trust thyself—every heart vibrates to that iron string. Act singly, and what you have always done singly will justify you now. Be it how it will, do right now. Always scorn appearances and you always may.—Emerson.

### ASPHALT SALES DEPT.

On February 24 members of the Department were stunned by a swift and abrupt blow. On the 23rd a letter had been received at New York from Superintendent Widger of Chicago telling that E. D. Rankin, our Cleveland representative, had been ordered to bed as a result of stomach trouble. Mr. Rankin spoke confidently of being back on the job within ten days. On the following day a telegram arrived announcing Mr. Rankin's death. At the Chicago Road Show in January, hardly a month before, this genial, respected, veteran salesman of Texaco asphalt products had been in the best of health and spirits. This sudden misfortune is a source of deepest regret to all of Mr. Rankin's associates. To his family we extend our sincerest sympathy.

One of the greatest among current engineering projects is the construction of the Hudson Vehicular Tunnel, which establishes another link under the Hudson River between the states of New York and New Jersey. Once again the propensity of Texaco to become associated with famous projects is evidenced. To pave the New Jersey approach to the new tunnel the engineers in charge specified a granite block pavement with asphalt filler. Through the irresistible efforts of one "Jim" Daly the asphalt filler used on this job will be Texaco.

The other day Frank Bisso and Claude Severance of the New York office were observed in a conversation which evidently occupied their entire attention. On approaching, it was learned that the topic of conversation was babies—two babies only, Gene Severance and Frank Bisso, Jr. It was learned that while Gene has it on Frank inasmuch as she sports two teeth to Frank's mere promise of them, the latter holds the upper hand in point of weight, tipping the scales at 20 pounds, as against Gene's 17½. The ages are Gene, nine months; Frank, seven months. Here, you fond Texaco fathers, is an opportunity to do some comparing.

The best brick pavement is the one with asphalt joints. That is now admitted by authorities throughout the country. Weighty evidence in support of this statement is the use of Texaco Asphalt Filler by the National Paving Brick Manufacturers Association in the construction of a test pavement at the U. S. government's experimental farm at Arlington, Va. Naturally, the Association would select a filler to show its brick pavement off to best advantage.

## *The TEXACO STAR*



In the foreground, a newly laid brick surface ready for the Asphalt Filler. In the background are shown the various operations in the applications of the Asphalt Filler.

**EXPORT DEPT.** Frank G. Keele of The Texas Company, Philippine Islands, and L. A. Scotchmer and P. F. LeFevre both of The Texas Company, China, are now in America on home leave.

The Export cable department was recently confronted with the problem of decoding a

"babygram" from Seoul, Korea, dated January 31, 1926, at 10:30 a. m., telling friends and relatives everywhere that Elizabeth Mae Harrison had arrived safely to the great delight of Dad and Mother. We extend congratulations to Mr. and Mrs. R. R. Harrison.



Our resourceful agents in Java, Messrs. Ruhaak & Co., had the snappy idea of hiring a number of natives carrying signs advertising Texaco Motor Oils and Exide Batteries. The natives shown in the picture, which was taken outside the Weltevreden office of our agents, were sent parading through the city on a day when a big football match was being played. As anticipated by Messrs. Ruhaak & Co., before the "kick-off" in the evening, all these sandwichmen had found their way to the exciting football grounds where they attracted the attention of thousands of spectators.



The Paramount Picture "Old Home Week," which was on display in motion picture theatres throughout the United States last winter, is now being featured in Australian motion picture theatres. As many "Star" readers know, this picture shows Texaco pumps, and it has been instrumental in giving our trademark very good publicity. The Texas Company (Australasia) Ltd. seized this opportunity to capitalize the publicity value of the picture by installing suitable exhibits of Texaco Products in front of picture theatres showing the film in their territory. The snapshot, sent by our Sydney office, shows one of the exhibits. It indicates that our Australasian branch is very alert to grasp every opportunity to place Texaco before their public.

## *The TEXACO STAR*



Storage plant of The Texas Company (Australasia) Ltd. at Sydney, Australia.

The inside view (shown in the lower picture) indicates how roomy and complete the installation is in every respect—with warehouse, office, lubricating oil store, refined oil store, asphalt shed, re-conditioning shed, employees' lunch room, garage, etc. Order, efficiency, and attractiveness are the watchwords here. We congratulate the staff of this installation for their interest in their place of work. The lawns are well kept and flowers and shrubbery furnished by employees from their own homes; it must be a pleasure to work in such surroundings.

The group on the right hand side of the photograph, from left to right, are: Warehouse Superintendent Cusack and Automotive Engineer Scott, Sydney; R. T. McCoy; Mr. Abrahamson, Bunbury Representative; Mr. Repplewhite, North Queensland Lubricating Engineer; and O. F. Bender.



Typical architecture in the Mission San Jose—Courtesy San Antonio Chamber of Commerce.

## SUGGESTIVE INDEX OF CURRENT ARTICLES

Journals cited are gladly loaned, if in our library, to persons connected with the Company. The journal or journals called for will be sent by return mail, unless in the hands of some one who has made a previous request—and in the latter case, as promptly as possible. Please give full and exact mailing address.

EXECUTIVES. Better Than a Bonus Plan. Maxwell Droke.—*Industrial Management*, Feb. 1926.

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Sulfuric Acid Absorption and Iodine Values of Various Petroleum Products and Cracked Distillates Obtained Therefrom. Jacques C. Morrell and Gustav Egloff. *Ditto*, p. 1259.

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ADVERTISING. Professor at the Conference Table. Harry Wellman.—*The Nation's Business*, February 1926.

GENERAL. Getting the Public to See the Oil Industry as it Really Is. C. C. Herndon.—*National Petroleum News*, February 3, 1926.

Science and Religion. Harry Emerson Fosdick.—*Harper's Magazine*, February 1926.



**Mission San Jose near San Antonio, Texas—Courtesy San Antonio Chamber of Commerce**

San Jose with its wonderful carved window and door, is the largest and most beautiful Mission in America. The magnificent structure, built in 1720, is still used as a chapel and contains the original carved statues and paintings sent to America by the King of Spain.

If liberty is not maintained with regard to education, there is no use trying to maintain it in any other sphere. If you give the bureaucrats the children you might just as well give them everything else.

—*Professor J. Gresham Machen.*