

The TEXACO STAR

THE TEXAS COMPANY



PETROLEUM AND ITS PRODUCTS



WE HAVE HAD MANY attempts of regulation of industrial activity by law. Some of it has proceeded on the theory that if those who enjoy material prosperity used it for wrong purposes, such prosperity should be eliminated and abolished. This is as sound as it would be to abolish writing to prevent forgery. We need to keep forever in mind that guilt is personal; let us not condemn the instrument but the evil doer.

—*Calvin Coolidge.*

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The British Oil Game

Fear of retaliation is one of the main reasons why a government will be careful about establishing a discriminatory tariff against the products of other countries. Under the "most favored nations" provisions and trade treaties the contracting governments bind themselves not to impose any tariff on goods imported from one country which is not exacted on like goods imported from any other country. The provisions of these commercial treaties are the natural result of the balance of trade, for most nations the nationals of which are engaged in foreign commerce and whose balance of trade means that they are a selling as well as a buying country, are careful indeed not to impose discriminatory tariffs because of the consequent likelihood of retaliatory tariffs being imposed by the nations whose goods are affected.

We see, therefore, that tariff retaliation is a natural weapon and that legally there is no sound argument against it. Yet we find that there are discriminatory tariffs being enforced by foreign governments against the very goods we are most interested in, petroleum products, and still retaliatory measures are not taken by our Government to offset such measures.

Tariff discriminations actually met with as applied against American goods in general, and petroleum products in particular, arise mostly

in British Colonial possessions. For instance, Australia, New Zealand, South Africa, British Guiana, and the British West Indies grant entry of goods coming from other entities of the British Empire either free of duty or at a rebate of the tariff rate appreciably lower than that tax imposed on goods from foreign countries. This practice applied to the oil industry obviously means a discrimination in favor of large oil companies controlled by British capital. The United States has imposed no import duty on petroleum products to meet this discrimination against American goods in British dependencies. Hence, in these countries we are placed in a position where the British concerns can undersell us, as a few examples will suffice to illustrate.

The Union of South Africa has recently enacted a law discriminatory against importers of gasoline or other hydrocarbons for use as fuel in internal combustion engines. This law virtually requires such importers to purchase a quantity of methyl alcohol, a by-product of locally grown sugar cane, distilled in South Africa, to be mixed with the gasoline or other product for use as fuel in such engines. Gasoline not mixed with alcohol of local manufacture bears full tariff, while that which has been treated receives a substantial rebate. In this instance our trade is limited to case goods, so that the provisions are onerous and prohibitive. This South African law is, in effect, a preferential measure in favor of the British company which is the only concern of importance with bulk storage and other equipment necessary to import its gasoline in bulk and there make its mixture with the methyl alcohol.

In the movement now being fostered to render the British Empire self-contained in its supply of major commodities, another pertinent example of favoritism operating against

The TEXACO STAR

American petroleum products is the agreement existing between the Anglo-Persian Oil Company, Ltd., a British Government-controlled Corporation, and the Commonwealth of Australia. A product of this agreement was the creation of a subsidiary company called the Commonwealth Oil Refineries, Ltd., the majority of whose stock is owned by the Government of Australia. This company has constructed a large refinery in Australia with a capacity estimated to provide for a large percentage of the Australian consumption of petroleum products. It has been favored with legislative measures which go so far as to provide that if any outside competition makes it impossible for the subsidiary company to realize a profit from the sale of its products, the products of the competitive company will have a tax levied against them the proceeds of which will be turned over to the Commonwealth Oil Refineries, Ltd., to insure a profit for them.

For the next example let us come nearer to home, say British Guiana. In this British colony in South America the tariff charged against American petroleum imports averages 50 per cent more than the tariff imposed upon British petroleum products. For instance, the duty on American kerosene has been 50 cents (local currency) an imperial gallon, plus 25 per cent special import. At the same time the British kerosene imported into British Guiana undergoes a tariff of only 25 cents an imperial gallon, plus 25 per cent special import—exactly one half of that charged against the American product.

A vivid example of the drastic effect of such discriminatory tariffs, and of the damage resulting from failure on our part to enact retaliatory measures, may be seen clearly from the fact that a large British company, with no import duties against its goods on entry into West Indian territory under the protectorate of the United States Government, actually can undersell us on our own ground there.

We have seen before in these columns that unjust restriction against the nationals of our country does not extend merely to the sale of petroleum products; the restriction imposed on us by foreign governments is of a two-horned nature; it affects the freedom of production as well as the freedom of marketing. So flagrant have been these restrictions which limit the power of American nationals in the exploitation of petroleum deposits in foreign

countries, that the United States Senate directed the Federal Trade Commission to investigate thoroughly and make a report on the entire situation. The Commission submitted its report, entitled "Foreign Ownership in the Petroleum Industry," on February 23 of this year, and in its letter of submittal stated:

"The most important instances of discrimination by foreign governments against citizens of this country are the exclusive policies of the Governments of Great Britain and the Netherlands in respect to the oil fields of India and the Dutch East Indies, and the 1920 San Remo agreement of Great Britain and France covering the undeveloped oil fields of Mesopotamia and of the British and French colonies.

"Denial of reciprocity of treatment to citizens of this country appears to exist with respect to the petroleum industry of Australia, British Borneo, certain African colonies, British Honduras, British Guiana, and Trinidad; France and French possessions; Italy; and the Netherlands and its dependencies."

In the report it is stated:

"The principal foreign nations having important petroleum deposits have discriminated against or denied reciprocal treatment to citizens of this country, with respect to the acquisition and development of their petroleum resources, as contrasted with the principle of reciprocity and equal opportunity which was the policy of the United States. The tendency to follow closed door policies was found to exist particularly in those countries having the largest known petroleum deposits. In form, such discrimination was either legislative, as, for example, the enactment of restrictive laws; contractual, as in the case of an agreement between the Government and its citizens for the working of large areas to the exclusion of aliens; or administrative, as where the granting of concessions is left to the discretion of some executive officer who favored the nationals of his own country."

Specific instances of restrictive measures are numerous. For example, in dealing with the attitude of the British Empire, the report states:

"The British Government adopted a policy of complete exclusion of aliens in

The TEXACO STAR

respect to the oil fields of British India, particularly those of Burma. According to a memorandum issued by the British foreign office on April 21, 1921, the following has been the British policy in India:

"Prospecting or mining leases have been, in practice, granted only to British subjects or to companies controlled by British subjects."

"The same memorandum stated that Brunei (British Borneo), Nigeria, British Guiana, and British Honduras have similar regulations to Trinidad, namely:

"In the case of private lands there is no nationality restriction, but the lessees of Crown or alienated lands must be British subjects or a British-controlled company'."

The unfairness of such measures has been called repeatedly to the attention of the foreign governments perpetrating them, but instead of diminishing they multiply. It is about time we were doing something.

Thanksgiving

In its work "to establish and maintain the Constitution of the United States and the principles and ideals of our government in the minds and hearts of the people," the Citizenship Committee of the American Bar Association is following up its recent publications for Constitution Week with pamphlets offering suggestions for the appropriate celebration of some of our national holidays. A pamphlet, "Suggestions for the Observance of Thanksgiving Day," is now being distributed as far as limited funds permit. Single copies will be supplied free upon request; in other quantity a charge must be made to partially cover cost of printing, mailing, and postage. The pamphlet will be sent postpaid at \$1.20 a dozen or \$8 a hundred: address Citizenship Committee, American Bar Association, 1412 Magnolia Building, Dallas, Texas.

Our Thanksgiving Day in its present form is a distinctively American holiday, but its origin is traceable back through the ages in many lands: the autumnal festivals of ancient Greece and Rome, the Hebrew Feast of Tabernacles, the Harvest Home of Old England.

The pamphlet mentioned includes in its interesting pages the first presidential Thanksgiving proclamation, issued in 1789, at the request of both houses of the Congress, by President George Washington. Among the

chief causes for thanksgiving, the great Washington assigned: "For the peaceable and rational manner in which we have been enabled to establish constitutions of government for our safety and happiness, and particularly the national one now lately instituted." His prayer was that the national Constitution should be "a blessing to all the people by constantly being a Government of wise, just, and constitutional laws, discreetly and faithfully executed and obeyed."

I would recall, also, in this connection the solemn warning in Washington's Farewell Address: "Toward the preservation of your Government and the permanence of your present happy state, it is requisite not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretexts."

Washington gave also the counsel: "In all the changes to which you may be invited remember that time and habit are at least as necessary to fix the true character of governments as of other human institutions; that experience is the surest standard by which to test the real tendency of the existing constitution of a country; that facility in changes upon the credit of mere hypothesis and opinion exposes to perpetual change, from the endless variety of hypothesis and opinion." What a lesson is here for those who would amend the Constitution to include ephemeral particulars, out of harmony with its fundamental purposes, and thus degrade all law by prostituting to petty or temporary details its basic constitution. Senator James W. Wadsworth, Jr., says on this point: "It is not the open and avowed enemy who is to be feared, but he who comes as a friend, proposing changes here and there which, in the aggregate, would destroy the effectiveness of the great instrument."

What has passed for "education" in this country during the last thirty years has left the majority of our native-born citizens with far less understanding of the first principles of government and economics than was possessed by their progenitors, and millions of aliens have been added who had no appreciation at all of our fundamental law. The present need for reflection and instruction is, indeed, urgent. In a book on the "Organization and Administration of Institutions of Higher Education," written ten years ago, the present writer said: "If the would-be destroyers of

The TEXACO STAR

the American plan should prevail, I believe it would lead to the French system—an autocratic governmental bureaucracy directing everything to minute details, a martinet 'red-tape' civil service,—and the departure of the best men of science from the State universities to academies and private activities, or to endowed universities who would stand against the change. How would the American professors like to get both their first places and subsequent advancements by competitive examinations? How would they like to be assigned to teach anything, anywhere, under the supposition that one who has passed the examination of the great Minister of Education is qualified to teach everything the universities have any business with? But such has been the French system since extreme notions, such as Rousseau's *contrat social*, spawned among a people in whom the races of Southern Europe predominated. I do not know of any one else who has called attention to this risk. Consider it in connection with two prevailing tendencies—the downward shifting of the plane of greatest political influence and predominance in immigration and birth rate of a swarthy proletariat. Reflect that it has been peoples led and inspired by white skinned (more or less blue eyed) races who have mainly developed the science of the Occident and given love of freedom and individual responsibility to the Western World. All sorts of minds develop in nearly every race, and I do not mean to put too much biological significance into human history; but the influences referred to have been real whether their causes were genetic or environmental. If masses prone to admire uniformity and approve regimentation, with little respect for individuality, impatient of processes of growth, and without restraint in establishing as fixed dogmas in State or Church the passions of the moment, should gain ascendancy, —what then? Might we not expect to see popular ideas recklessly imposed by law in every sphere? If they tamper with the government of educational institutions, will they not substitute a code of minute mechanical regulations administered by political officials? The advent of some such things is acclaimed by many who, out of the other side of their mouths, uphold contradictory aims. The question at bottom is a matter of taste, but one ought not to pigeon-hole in his mind contradictory opinions. He may like a mechanical civil-service administration of higher edu-

cation; but let him know that such a regime is like the night in which all cows are black. That fiction, and denial of reality, seems admirable to many; but it ought not to be countenanced by any man who claims to desire knowledge of the truth in the light of day."

To return to the Committee's suggestions for Thanksgiving, we read: "The Huguenots from France, the Pilgrims from Holland, and the Puritans from England came here for the primary purpose of an opportunity for a greater amount of personal liberty than was permitted them in the old countries. This passion for individual and religious liberty, for a proper measure of self-government, equally potent among the Protestants of New England, the Catholics and Cavaliers of Maryland and Virginia, the Quakers of Pennsylvania, and the various other groups which made up the original thirteen colonies, finally merged the best elements into the Colonial Americans who weathered successfully the storm of the Revolution, and founded a Republic bought by their blood and fashioned to a balanced government which would insure the blessings of liberty to themselves and their posterity."

We are admonished to be "thankful for the rare men who launched our American form of government." We may well be so, but to be thankful we must understand; we must hear or read the words those men spoke, as preserved for us, and learn to appreciate their great deed. Also, the forefathers who adopted the great proposal should be appreciated. As James M. Beck says: "Our Constitution could never have come into existence if the American people, in 1787, had been unworthy of it or incapable of administering it."

The most instructive suggestions fall in the four pages of the pamphlet under the head: "Be thankful that our American form of government was fixed by a written basic law, the Constitution of the United States."

CRUDE OIL PRICES AT WELL

November 1, 1923

Penna., Bradford.....	\$2.75	Homer.....	\$1.75 to \$1.25
Other Penna.....	2.50	Haynesville.....	1.00 to 1.10
Indiana.....	1.48	Smackover.....	.40 to .75
Canada.....	2.08	Caddo.....	.75 to 1.25
Ragland, Ky.....	.75	DeSoto.....	1.25
California Light.....	.76	Bull Bayou.....	1.00 to 1.15
California Heavy.....	.60	Crichton.....	.90
Kas. & Okla.....	.50 to 1.75	Gulf Coast.....	1.00
Powell.....	.75	Mexia.....	1.00
North Tex.....	.50 to 1.25	Currie.....	1.00
N. C. Tex.....	.90 to 1.25	Corsicana.....	.50 to .75
Eldorado.....	1.10 to 1.25	Wyoming.....	.75 to 1.35

The TEXACO STAR

Government Regulation of the Petroleum Industry

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Paper read at Tulsa, Okla., October 11, 1923, before a joint meeting of
International Petroleum Congress and Mid-Continent Oil & Gas Association

The petroleum industry is naturally subdivided into the production, transportation and refining of crude oil, and the marketing of its products. These subdivisions involve separate factors and should be considered separately in discussing governmental regulation.

The Production of Crude

Crude oil is at present found in about 200 fields, in 18 States of the Union. In July, 1923, the daily production in the United States was 2,209,139 barrels, and of this total, 10 pools out of about 200 produced 1,227,737 barrels. There are about 285,000 wells now producing, and in the month of July 6,843 of these wells produced about 70% of the total production. There are approximately 15,000 individuals, firms, and corporations owning these wells, besides the multiplied thousands of stockholders who own stock in the corporations. In some of these wells oil is found at a depth of a few hundred feet, while others are over a mile deep, and the cost of drilling ranges from a few hundred dollars to many thousands of dollars. The cost of production varies in every field, and to a certain extent in every well. Some producers own only a few leases in one field, while others own thousands of leases in many different States. This creates such varied and diverse situations that the problem of general regulation can hardly be comprehended.

In considering government regulation of production, the extent to which government can go, under our constitutional limitations, and the extent to which it should go, both require consideration. We may start with the settled legal doctrine that the owner of the land, while he does not own the oil lying underneath the surface, does possess a vested right to drill in search of oil, and that when he has found and reduced it to possession he then owns it as completely as any property is capable of ownership. This right cannot be taken from him by either the United States or the State. The only point at which the United States can touch the oil industry is under the power of Congress to regulate interstate commerce. It is well settled that pro-

duction of minerals, even if intended for shipment outside the State, is not a part of interstate commerce, and Congress, therefore, has no power to regulate production. In speaking of a similar subject, the Supreme Court says:

"Coal mining is not interstate commerce, and the power of Congress does not extend to its regulation as such." (*United Mine Workers v. Coronado Co.*, 259 U. S. 344, 407.)

And again:

"The making of goods and the mining of coal are not commerce, nor does the fact that these things are to be afterwards shipped or used in interstate commerce, make their production a part thereof." (*Hammer v. Dagenhart*, 247 U. S. 251, 272.)

The States, however, have a measure of control, based on the maxim that no man has a right to use his own property so as to injure the rights of another: *Sic utere tuo ut alienum non laedas*. The State can prohibit waste. It has been definitely held that waste of gas into the air can be prohibited, although it interferes with the production of the oil. (*Ohio Oil Co. v. Indiana*, 177 U. S. 190.) Wasteful use of gas can likewise be prohibited, it having been definitely held that the State can prevent the use of gas for the manufacture of carbon black, although the value of the carbon black is greater than the value of the gas for heating purposes. (*Walls v. Midland Carbon Co.*, 254 U. S. 300.) It has likewise been held that the State can prohibit pumping mineral water from underground strata in order to obtain gas only where the water is allowed to waste. (*Lindsley v. Natural Carbonic Gas Co.*, 220 U. S. 61.)

It is impossible to define the limits to which the State can go in preventing waste. It might possibly prohibit the production of oil for storage in earthen tankage. It might possibly exercise some control over the number of wells which may be drilled, and their location, both on the theory of preventing waste of the oil and its wasteful production. The petroleum industry might well consider the

The TEXACO STAR

advisability of cooperating with the States in drafting legislation to prevent wasteful production. There is certainly an enormous waste of money in excessive drilling, and doubtless an enormous underground waste of oil. The statute of Oklahoma defines as an economic waste and prohibits the production of oil which cannot be marketed at a just price; but I believe the validity of this statute has not been passed upon by the courts, although the Corporation Commission of Oklahoma has at times cooperated with the producers in restricting output where the production would be an economic waste. I have no doubt that under the statutes of Oklahoma today the producers, under the jurisdiction of the Corporation Commission, could legally develop a plan for restricting the output in any given field, and that such an agreement would be within the law of the State and free from attack under the statutes of the United States.

I am equally clear in the opinion, however, that neither the State nor the United States has the power to fix the price of crude oil, and that, even if such power existed, its exercise would be unwise and unsound economically.

It is, of course, obvious that if the government has the power to fix the price of crude oil, it has the power likewise to fix the rate of royalty and rentals and likewise the price of land and of everything found in the land, such as coal and iron ore, and of everything that is produced from the land, whether in the form of timber or of agricultural products.

It is only within a very limited area that government, under our constitution, has the right to fix prices. Subject to the rule that the prices must be reasonable, the government has the right to fix the price of railroad transportation and of electricity, telephone service and water when supplied by a private corporation under a franchise granted by the public. This right rests on the theory that the business is a natural monopoly and not subject to the control of competition; that such corporations enjoy special privileges granted by the public; that when their money is invested in the business it is done with the knowledge of the obligations of the business; that the duty rests upon the utility to continue to render the service and that the owner cannot, at will, discontinue the service. In other words, the price fixing here is correlative. It not only binds the owner of the property, but it binds the purchaser, so that any one who buys the service is bound to pay the

prescribed price and is not at liberty, by contract, to pay either more or less; nor is the owner at liberty to furnish the service or not when he pleases and to whom he pleases, but he is required at all times to furnish his service to all comers.

On the other hand, the owner of crude oil can sell it or not as he likes, just as owner of land can do, and the Supreme Court has said:

"An ordinary producer, manufacturer, or shopkeeper may sell or not sell as he likes." (*Chas. Wolf Packing Co. v. Court of Industrial Relations*, 43 Sup. Ct. Rep., 630, 634.)

In the same case the Court also said:

"It has never been supposed, since the adoption of the Constitution, that the business of the butcher, or the baker, the tailor, the wood chopper, the mining operator, or the miner was clothed with such a public interest that the price of his product or his wages could be fixed by state regulation."

There is a vast difference between regulating the industry so as to prevent waste, and price fixing; the former being entirely consistent with private ownership and control, as to which in every industry it is the duty of every owner to exercise his own rights of property in such a way as not to unreasonably injure other owners of property possessing equal rights. But when the petroleum has been lawfully produced and reduced to possession, it then becomes private property, as much so as in the case of any other commodity, and the owner has the same measure of control, the same right to sell or not to sell, the same right to fix the price of his commodity as does the owner of a bushel of wheat or a pound of cotton or a ton of coal or an acre of land. (*Okla. v. Kansas Natural Gas Co.*, 221 U. S. 229; *Penn. v. W. Va.*, 43 Sup. Ct. Rep. 658.)

If, however, the government has the legal power to fix the price of petroleum, economic law would prevent its doing so for the obvious reason that it would have no basis on which to act, no definite criterion to guide its course. In fixing prices of telephone, electricity, and railroad service there are definite bases upon which to act, including the investment in and the value of the property which has been devoted to the public use, the volume of business, the stability of the business, the value of the service, and the return on the investment. It would be impossible to apply any of these established formulae to the oil industry. Of

The TEXACO STAR

the 15,000 producers each one probably has a different cost of production. Obviously it costs more to produce oil from a small well than it does from a large one. If all the wells belonged to one company, a general average of cost might be applied and an approximate value of the investment might be obtained. But with 285,000 wells producing oil, and each one involving more or less difference, with 200 oil producing fields, each one of which is different from the others, with production at times far in excess of the demand and at other times far below the demand, with the life of every field speculative, with the possibility of any well being a dry hole, it is obvious that no governmental bureau could fix a price based on cost of production. If the price should be based on the cost of flush production, it would destroy the settled production. If the price should be based on the cost of settled production, it would make enormous and unjust profits for the flush production.

In addition to these facts within the industry this bureaucrat who might endeavor to fix the price of oil would have to take into consideration competitive conditions of other industries. Fuel oil, for example, comes into competition with coal and natural gas, and this price fixing agency would have to know every product obtained from crude oil, every product with which it comes into competition, the market conditions of all these products, the cost not only of producing the crude but of refining and distributing its manifold products, and take all these factors into account before fixing the price. If we assume that all this wisdom could be assembled in a government bureau, this bureau would then be compelled to know all the changes that are going to take place, not only in the petroleum industry, but in the entire economic structure, and be able to adjust its price from week to week to meet these kaleidoscopic changes.

The price of petroleum and of its refined products is intimately related to so many other industries, and the price structure is so related to the price structure in the other industries that control of one would necessitate control of another, and another, and another, until the venture into price fixing in such an industry as this, related as it is to so many other industries, would finally result in price fixing extending to all industries.

Obviously, price control in the petroleum industry, as in every other, must be left to the law of competition, and cannot be con-

trolled either by a government bureau or by any one corporation or group of corporations. The supply of petroleum, the demand for its products, competition between producers and purchasers, and between petroleum products and other products, all act upon the price structure, and it is a result of many complex movements and cross-currents.

All that government can do in respect of prices is to keep open the channels of competition, and this it should do. And more than this it should not undertake.

The Transportation of Crude Oil

Crude oil is transported overland either by railroad or by pipe lines. All railroads are common carriers. All interstate pipe lines are common carriers, and the intrastate pipe lines are common carriers in the principal producing States. Government has already required pipe lines to become common carriers, and as such it has the right to regulate and is regulating their practices and prices. In the report of the Senate Committee which recently considered the petroleum industry it is said:

"Pipe lines must be made real common carriers. . . . The first step toward making pipe lines real common carriers is to divorce the ownership of the pipe lines from the ownership of the oil transported. The rule applicable to common carriers, that they must provide service to all impartially, that the service must be provided at reasonable rates, and that the service must be adequate, if applied to the great pipe lines of the country, would go far toward breaking the monopoly which now completely controls the business."

If there are any pipe line companies subject to this criticism, the cause of the criticism ought to be removed without waiting for further governmental action. The pipe lines are common carriers, and as such ought to furnish service impartially, reasonably, and at reasonable rates, and should not invite hostile legislation by failing to do so. I assume, of course, that the Committee does not mean that large organizations engaged in the production, refining, and distribution of petroleum should not own stock in a pipe line company. Many of the pipe lines were built as plant facilities, their primary purpose being to transport the oil of the producer and purchaser to his refinery. After being built on this theory

The TEXACO STAR

they were required to become common carriers. In the main, they have since been organized as pipe line companies and their stock is largely owned by great producing, refining, and marketing organizations in order to secure a certain and adequate supply of crude oil at their own refineries. If the producing and marketing companies are prohibited from being interested in pipe line companies, even by stock ownership, their refineries would be cut off from their own production and from their purchases in the field, and the business, which is essentially a unit, would be split into parts with a decrease of efficiency, an increase of overhead, and no economic gain to the public. Certainly before any such movement is undertaken, the effect of similar action, divorcing the packing industry from the stockyards companies, should be considered with care.

The Refining of Crude

There are approximately 500 refineries in the United States, owned by approximately 250 different companies or individuals. These refineries are diligently seeking improvements in refining processes and applying to this search all the talent available. Marked advances have been recently made, substantially all of which are covered by patents applying to various cracking processes. There are some conflicting claims which have resulted in litigation and may result in further litigation. Some of this litigation, however, has been recently settled, with the result that the patent situation has been greatly improved and the refiner can take his choice of several processes with reasonable freedom from fear of infringement.

Certainly in the refining department of the petroleum industry there is no occasion for governmental regulation.

The Distribution of Refined Products

In the sale of the refined products, so far as I am advised, criticism has been confined almost wholly to the price of gasoline. Of the dozens of other petroleum products the distribution seems to have been handled satisfactorily. But there has been widespread dissatisfaction in the distribution of gasoline.

Some of the companies engage in all of the departments of the petroleum industry, including production, transportation, and refining of crude, and distribution of the manufactured products, including the sale of gasoline at company owned filling stations. Others

produce, refine, and sell it at wholesale, without operating filling stations. Still others purchase crude, refine it, and sell the products at wholesale. Others merely deal in the refined products, buying from refineries and selling to retailers, while still others merely own filling stations and buy in the open market. It is estimated that there are 90,000 filling stations in the United States, exclusive of the curb pumps, which amount to several thousand more. This complicated situation, involving thousands of owners in every State of the Union, naturally results in diversity of price in different sections of the country. The tendency, of course, is for the same price to prevail in each community, because if one dealer cuts the price other dealers naturally meet the cut. It would be difficult for different dealers in the same community to sell their products at different prices, and it is as natural for gasoline in the same community to be sold by different dealers at the same price as it is for bananas or apples or potatoes or any other commodity. Diversity of price in the same community is the exception rather than the rule, but diversity of price in different States is the rule rather than the exception. The heavy temporary excess production of crude in California has naturally reacted upon the price of crude throughout the United States, and this has naturally been reflected by reduced prices of gasoline. This, of course, has been the result of competitive conditions, and competitive conditions by different companies differently situated in different States of the Union do not operate exactly alike. It should occasion no surprise, therefore, that there is a variation in price of gasoline in different States of the Union. On the other hand, this variation demonstrates the existence of competition and that no company or group of companies has the power to fix a price throughout the country. Naturally the largest dealer in any community is the leader and his price is apt to be followed by the smaller dealers, and this is usually the case. The fact, however, that in numerous instances the price is not inaugurated by the principal dealer demonstrates the absence of agreements in restraint of trade and the existence of competitive conditions.

It goes without saying that the government should guarantee the existence of competitive conditions, and every man who sees the situation from the inside knows that competitive conditions exist, and that, if anything, they are more strenuous than is desirable from the

The TEXACO STAR

standpoint of either the industry or the public.

After the government has guaranteed competitive conditions, and honesty in marketing, it ought to leave the industry alone. There are too many filling stations. A filling station on every corner is not desirable from any standpoint. It imposes an enormous tax upon the industry and upon the public. If there are two filling stations where one could supply the trade, it is obvious that there is double investment and double the number of salaries to be paid, and that this double expense must ultimately be paid by the public. But what is there that government can do to prevent a citizen from building a filling station if he wants to? The existence of this superfluity of filling stations is the best evidence of absence of control and of the existence of competition, because no industry controlled by a combination would tolerate the enormous waste in unnecessary filling stations.

Should the government fix the price of gasoline, or should it fix the margin between the tank wagon price and the retail price, or should it fix the margin between the tank car price and the tank wagon price? Fixing the price of gasoline, of course, would necessitate fixing the price of crude oil, and I have already demonstrated that that is impossible. Fixing a margin of profit is impossible unless the price of gasoline is fixed. A dozen dealers in the same town might purchase their gasoline at different prices. If a definite margin of profit is fixed and the dealers are required to conform to it, there might be a dozen different prices, with the result that the dealer buying at the lowest price would get substantially all the business, at least to the extent of his supply. If his competitors were allowed to ignore the margin of profit and cut their prices to meet the competition, of course the margin of profit would be at an end and the result would be the downfall of its own weight of any regulation based on a margin. Or, let us assume that in one community four or five of the great companies engaged in every branch of the industry are operating company owned filling stations, in competition with numerous independent filling stations. What would be the margin of profit for the great companies who produce, transport, refine, and market their own products? If it is based on the cost of production they would have different costs and, therefore, different prices, and yet, by a fixed margin of prices each would be required to maintain a different price and

the independent dealers in the same community would doubtless be required to maintain a higher price because they would be purchasing their gasoline from wholesalers who were adding their margin of profit to the refinery price. Again the result would be that the lowest cost producer would take all the business to the extent of his capacity, with the others prohibited by law from meeting the competition. If, on the other hand, the others were allowed to cut their margins so as to meet the competition, there would be no established margin and the scheme would fall by its own weight. It is, therefore, plain that competition alone can regulate price, and that either price fixing or fixing a margin of profit in the gasoline industry, regardless of the legal aspects, is impossible from an economic standpoint.

Conclusion

Our civilization has been built on the theory and practice of individual initiative and free simple title; that a man is free to work or not so long as he does not become a charge on the community; that if he works and saves and acquires property it is his, that it does not belong to the community; that if he owns a home it is his home, that he and his wife and children have a right there, that no one else has, that every one else who is there, unless by his invitation, is a trespasser and can be excluded; that so long as he obeys the law he can look to the government for protection of these rights, and that the government itself has no right to interfere with them. This is the doctrine of individual initiative and private ownership. It is what the communists call "Capitalism." It is the application of this doctrine that causes adventurous spirit to go into the forest and fell the trees and build a home and defend it against every attack; it was this spirit that settled this country and built up its civilization; it was this spirit that led the pioneers across the Plains in '49 to seek the gold in California; it is this spirit that leads our people today to risk their fortunes in the search for petroleum, and when found to believe that they own it, that they have a right to refine it and sell it and to defend it against attack, just as a man has the right to defend his home against attack or any other property that he acquires by the fruits of his industry. This principle is fundamental, it is almost as fundamental as our devotion to freedom of conscience and love of liberty. It is under attack throughout the world today.

The TEXACO STAR

In Russia its enemies are in the saddle and have openly denounced the principle of individual ownership and individual initiative. In America the attack is more insidious. It is true that there are some communists in this country, but up to date they are not a dangerous factor. The insidious attack in this country is by those who advocate extensive government regulation, who, while believing in our institutions, forget what our institutions are. They think they believe in the value of individual initiative and the rights of private property, but at the same time they think there is some magic power in the government to preserve these things while at the same time destroying them. How much individual initiative would be left in the railroad field if the government should take over the railroads? What would become of individual initiative in the coal industry if the mines should be nationalized? What would become of the pluck and energy and courage of the

oil industry if the government should undertake to limit the rewards of success? Government has no power to work miracles. A man is not transformed by being elected to office. An election can not alter economic law. There are already too many people who are beginning to look upon the government as a benevolent father whose function is to protect them from consequences of their own mistakes, who think the remedy for every ill is the enactment of a statute, who are beginning to rely on the government instead of themselves. This is a step in the direction of communism; it is a step away from American principles. Natural monopolies should be controlled by the public because the law of supply and demand and the control of competition do not apply. In other lines of business the channels of competition should be kept clear by the government and the law of supply and demand will furnish the only regulation that is either wise or necessary.

Texaco in the Interior of West Africa

A letter from Dabney E. Petty, Consulting Geologist, San Antonio, Texas:

I am just recently back from a year's pleasure trip through west and west-central Africa. I landed on the west coast, got a good cook and bunch of black carriers, and started for the interior, alone. I had my rifle, rod and reel, hammer and compass; so hunted, fished, and pecked away on the rocks to my heart's content. In some places I got back 700 or 800 miles from the coast and saw many interesting things, but I think the thing that impressed me more than anything else was the amount of Texaco oil used by the natives. I found very few commissaries on the whole trip that did not have a few cans of Texaco on display. I visited a great number of wild pagan tribes and almost without exception found each village the proud possessor of one or more empty Texaco cans. These

empty tins are among their most treasured possessions, and used in many ways.

While spending a couple of weeks at Jos, Nigeria, about 600 miles from the coast, I noticed every morning a large train of donkeys, each with two cases of Texaco oil, headed, I was told, for the desert tribes to the north. There was something fascinating about this and I would watch them each morning until they would disappear in the distance. Hence the picture. I have always had a tender feeling for The Texas Company as the first job I ever had was with them as planetable man—at the enormous salary of \$50 per month. But at that time I thought I was sitting on the top of the world.

I am enclosing also a picture of two belles of Jos, all dressed up for market day. These girls are to be envied by our young ladies as they can put on a fresh dress several times during the day and never put on the same one twice!



At Jos, Nigeria—600 miles from coast



Two belles of Jos

The TEXACO STAR

What They Do with the Kerosene Cans

C. S. DENNISON, New York

An interesting phase of the business of distributing Texaco Petroleum Products in foreign lands is the traffic in empty kerosene and gasoline cans, and the ultimate uses made of them after they have served their original purpose.

Every day in the year the Company's big Case and Package Plant turns out thousands of these sturdy five-gallon tin containers in which are shipped immense quantities of burning oil to the four quarters of the earth. Two cans are packed in a wooden case and this unit constitutes the standard package in the "case oil markets."

The major volume of Texaco Kerosene is shipped into countries in which a large percentage of the people—through no fault of their own—are illiterate. They lack the advantages of education and can neither read nor write. It naturally follows in such countries that poverty is the rule rather than the exception. The masses think in terms of pennies, or their equivalents, as we think in terms of dollars. The rules of rigid economy are applied zealously. Articles which in more prosperous countries are discarded as waste after their first use are required to serve a renewed span of life by the frugal natives, and among these the ex-kerosene can is probably utilized for a greater variety of purposes than any other.

After the cans have been landed, they are delivered to godowns—the Orient's term for storehouse—and start from there through the system which eventually distributes them to dealers in cities, towns, and villages all over the various countries. After the dealer has disposed of the oil, usually sold by the pint or half-pint, he sells the can at a price determined by the law of supply and demand and it enters upon a new phase of utility.

Perhaps the most common use made of them is for carrying water. In small towns and villages throughout the Orient, Africa, the West Indies, and South America you do not find public utilities such as we enjoy in America. Instead of being piped to the home, water is obtained from the brook, well, or pump. It is a familiar sight to see the natives gathered about the local source of supply gossiping while they fill the ex-kerosene can with the needed liquid to be used for cooking or drinking. Where there are no streams in

which to bathe, the can substitutes for the "Saturday night tub." The method of handling the can differs somewhat in different countries; some natives tie two cans to the ends of a bamboo pole and carry it on their shoulders, others balance a single can on the top of the head.

In China infant mortality is high, especially among infant girls. Only the fit survive in the fight for existence. The poorer coolies, pressed for funds as they always are, bury their tiny offspring in ex-kerosene cans. Along the busy quay at Shanghai, where boats from the coast towns and up the Yangtze dock to discharge passengers, you find many natives carrying their effects in oil cans which have been converted into small trunks with covers and handles affixed. As you travel up-country, you



The Kerosene Can in China

Small cans for cakes and preserves made from our *Sing* and *Yinfoo* kerosene cans.

Typical Chinese tinsmith shop, showing different articles made from *Sing* and *Yinfoo* tins.

Dust pan made from a *Sing* brand can.

A *Sing* kerosene can used by a hawker selling Chinese patent medicines.

A *Sing* tin made into a stove.

The TEXACO STAR



In Manchuria

Taking Texaco Sing brand of kerosene from ship's tackle to godown (warehouse) in Darien, Manchuria.

find many buildings shingled with oil cans that have been "knocked down" and flattened out. In the shrines which rear their forms in every village, the oil can may often be found in use as a patch to keep out the weather or formed into incense trays doing service before the image of Buddha.

In South China large crops of peanuts are raised for the extraction of peanut oil. The cans have the names of our kerosene brands, Hung Sing or Yin Foo, embossed in the tin, so the Chinese mill operators buy the cans, fill them with oil, and ship them as Hung Sing or Yin Foo Peanut Oil.

In many Chinese homes, they cook their chicken, pork, rice, or vegetables upon a tin charcoal stove in pans wrought from the ex-oil can; and the cheerful Chinese housewife often brews her tea in a tin pot of the same origin. Pets are popular with the people of the East. They convert oil cans into cages for



Aeroplane

Miniature aeroplane made from a Texaco can by a native of Brazil.

birds and into small boxes for keeping crickets and other pet insects. Then when night falls, the industrious Chinaman labors into the late hours under the light from a tiny kerosene lamp made from the oil can.

In the Philippines—America's far off Protectorate, when you travel in the interior, native women may be seen early in the morning washing the family clothing. Here again the can comes into the picture, used as a boiler for heating water. Cans used as flower pots adorn the palm huts, decked with multi-colored flowers of the tropics, and the little brown housewives use dust pans in their households made from the same material. Large quantities of dried fish, vegetable oil, and other products are shipped from the Islands to China in our cans, and the fruit and vegetable stands in village markets usually display their products in ex-oil cans.

Siam is one of the great strongholds of Buddhism in the East. Every male native serves a certain period in a Buddhist monastery. While thus cloistered he lives on the charity of the people, and these men go from house to house shortly after dawn to receive their daily gift of food using oil cans as receptacles. On the rubber plantations, in the tin mines, and in the teak forests of the Malay Peninsula natives use the oil can made into dinner pails for carrying their food.

On the great stations, or ranches as we call them, of Australia, the can is employed for many purposes, while large quantities of the famous Australian jam are shipped to England in sterilized oil cans.

Among the hundreds of tribes in Africa from Congo to the Cape and from Senegal to Zanzi-



Sprinkler

Made by a native of Brazil.

bar, oil cans are universally used in cooking the chief item of diet in the daily menu of the natives—mealie-meal or ground corn boiled in water until it forms a sort of paste. Around the can husky blacks squat on haunches and eat this simple food. Then at night, the little light that flickers in the kraal or hut

The TEXACO STAR



In Basutoland

Texaco products loaded for transport to a mountain station. Native leader or *voorloper*.

is kerosene burning in a lamp made from an oil can. When the Safarais (as expeditions are called) leave for the vast stretches of the interior, both wooden cases and cans are used to excellent advantage for packing supplies. These are carried upon the heads of native porters who penetrate into remotest sections.

In Brazil lard, soap, cottonseed oil, and such products are repacked in kerosene cans at tidewater cities for shipment to the interior.



Beyrout, Syria

No conveyors needed here. Eight cases of Texaco gasoline carried by one man from boat landing to our warehouse at Beyrout, Syria.



In Haiti

This little fellow carried five gallons of kerosene over seven miles of Haitian mountain trails. He had his kerosene put into a lithographed motor oil can; evidently our plain kerosene can was not stylish enough for him.

The natives convert kerosene cans into lamps, bird cages, charcoal stoves, paint pots, and coffee pots, and they even substitute knocked down cans in place of corrugated iron for building fences. In Natividad de Carangola a native band employs musical instruments all of which have been made from kerosene cans, including guitars, violins, etc. The smoker may be found using cigarette holders, lighters, and cases made from Texaco cans.

In the Argentine the nomadic street merchants sell ices and drinks from containers which were once gasoline cans. In the cane fields of the West Indies and on the tobacco plantations of Cuba and Porto Rico the can is utilized for service in various ways.

And thus the story goes on and the uses multiply, but the examples given may enlighten readers of *The Texaco Star* as to the importance of the humble oil can in the daily activities of half the world's population.

Every man who works and saves is a capitalist. Opportunity to work, except in the most savage way, can come only through the investment of capital. The more capital we create and save the more employment is possible, and the higher may be the general standard of living.



Norwegian Mountain Cabins

The Scandinavian Countries - III

NORWAY

JAMES TANHAM, Executive Offices, New York

To the rugged beauty of her mountains, the picturesque fjords of Norway lend a softening touch. The beauty of each is enhanced through contrast with the other. Small wonder it is that tourists are journeying each year in increasing numbers to this Land of the Midnight Sun. Her summer climate is bracing and exhilarating. Her summer days are long and brilliant.

In November winter lays its blanket of snow over the land. The days become shorter. But the Norwegian is not disheartened. For Norway is the land of outdoor winter sports. With the falling snow comes the opportunity for the national sport, skiing. Everybody skis. To both sexes of all ages and from all walks of life skiing affords out of door enjoyment.

In Norway there is no nobility. Norway was the first nation to grant universal suffrage to women. Realizing the independent spirit of Norway, it is difficult to understand why for centuries she continued in political unions which restricted her national independence.

The zenith of Norway's power was achieved during the reign of Haakon the Old (1217-1263). She had extended her dominion westward until she included within her empire

Iceland, The Hebrides, and the Faroe, Shetland, and Orkney Islands. But with the death of her mighty king in 1263, while endeavoring to conquer Scotland, Norway's power declined. Only for a century did her independence continue. In 1380, through union with Denmark, she practically relinquished her independence and for over four hundred years continued under an arrangement by which she was little more than a Danish province.

In 1814 her union with Denmark was terminated. The national feeling of old seemed again to be in evidence. But again Norway entered into political union, this time with Sweden. Almost a century passed. The longing for complete independence became pronounced. At last, in 1905, Norway took her place as an independent state in the family of nations. The separation of Norway and Sweden without recourse to arms is regarded as one of the notable achievements of modern statesmanship.

Many of the people believed that the new nation should become a republic; but a far greater number believed a monarchical form of government would be better for the country. Prince Carl of Denmark responded to the invitation to occupy the throne and rules

The TEXACO STAR



A Norwegian Valley

today with the title of Haakon VII. He and the present king of Denmark are brothers.

In contrast with the Danish parliament which has an upper and a lower chamber, the Norwegian parliament, or Storting, has only one chamber. But for legislative purposes the chamber is divided into two groups, three-fourths comprising the Odelsting and one-fourth the Lagting.

The ownership of land, as in Denmark, is not centered in a few but principally in those who live on the land. Agriculture is pursued under difficulties. The season is short; the available land meagre. It has been estimated that only $4\frac{1}{2}\%$ of the land is suitable for agriculture. In Denmark over 70% of the soil is cultivated. The success achieved in agriculture under discouraging conditions exemplifies in striking fashion the Norwegian indomitable spirit of industry and thrift. It is the practice in summer to send the cattle to the mountains to graze while the valleys are intensively cultivated in grains and potatoes. Vegetables are grown only to a very limited extent, except potatoes of which about 25,000,000 bushels are grown annually. Grains are Norway's important crops, ranking in order of size, oats, barley, rye, wheat. Norwegians, as well as Danes and Swedes, prefer rye bread to wheat bread.

Having denied Norway fertile plains for farming Nature compensated her with great resources of water power. It seemed ordained that Norway should become an industrial nation. Perhaps no one has realized more fully the vast wealth of energy in Norway's waterfalls than Dr. Samuel Eyde, an engineer and chemist. Dr. Eyde was born in Arendal in 1866. After graduating from the Technical High School in Charlottenburg he pursued

his profession in Germany. In an essay on *The Industrial Future of Norway* Dr. Eyde stated: "I came into contact with leading manufacturers there and had an opportunity to study at close range the marvellously rapid industrial development of Germany during the last decade of the nineteenth century. I paid especial attention to the electro-chemical field, particularly to those departments of it needing large quantities of water power; for I realized that my country—with her isolated position, her difficult and costly transportation, and her sparse population of agriculturalists and seafaring men—could compete with the old established industries of other countries only through the development of her water power, in which she holds a great advantage."

Upon his return to Norway Dr. Eyde, working with Professor Birkeland of the University of Christiania, developed a process by which, with the aid of electric power generated by waterfalls, nitrogen is released from the air. This process has made it possible for Norway to manufacture great quantities of nitrogenous products and fertilizers. Norwegian saltpetre has achieved such popularity that the demand can not be met. Although closer to the nitrate of Chile, California and Hawaii import immense quantities of Norwegian saltpetre.

Norway's export trade is greatest in wood products. The harnessing of her water power gave a new impetus to this trade. Lumber, matches, pulp, cellulose, and paper are the important products of the wood industry.

In mineral wealth, too, Norway is fortunate. The possibility of smelting iron by electricity has given a new value to her low grade iron ores. Deposits of lead, zinc, sulphur, nickel, and copper add to her mineral resources.

Another of her industries showing rapid progress is the manufacture of textiles.

About one-tenth of Norway's 2,500,000



Goats in Norway

The goat is indispensable in the mountains of Norway. Cheese made from goat's milk is an important article of the mountaineer's diet.

The TEXACO STAR



Christiania

National Theatre in center; in distance, Royal Palace; at right, buildings of University of Christiania.

people live in her capital city and principal port, Christiania.

The second largest city in Norway and one of her principal ports is Bergen, the heart of Norway's great fishing industry. Fishing and its allied occupations give employment to over

100,000 people. The principal fish for commercial purposes is the cod. Salting and drying the cod makes available many valuable by-products among which should be mentioned cod liver oil (obtained by destroying the cells by steam thus permitting the oil in the cells to accumulate), fish heads which are used for fertilizer, and the roe which is sold for bait. Next in importance to the cod is the herring. Mackerel, shell fish, salmon, and trout are caught in abundance.

Norwegians are adventurous and skillful sailors. Shipping is one of her traditional occupations. Before the war only England and Germany excelled Norway in shipping.

Prior to the enactment of our Volstead law Norway was recognized as the 'driest' nation in the world. Her people are temperate in drinking and abide by their prohibition laws which permit the sale of beers of low alcoholic content and of the lighter wines.

Autobiography of an Iron Barrel

I am an Iron Barrel. I have a number but no name. I was made round instead of square so that I could roll instead of remaining seated in a corner. But often I sit more than I roll. It is through service that I keep up a bright appearance, and I also last much longer than I could through idleness. Idleness produces rust and decay in an iron barrel. Likewise in an individual even if some do not think so.

Some folks deem me of little importance after they have used my contents. So they leave me in some neglected place by the side of the road. Perhaps a friend may pick me up and take me to the station. Then the agent does not know where I came from. He simply reports me to the District Office as "An Unknown Pilgrim from An Unknown Land." Or perhaps I may meet with a much worse fate. Some lawless person may carry me away to be used in "Mash Tub Service." I am a law abiding citizen and desire to be engaged in legitimate business. I ask the cooperation of friends to this end. If they will keep me on the move no moonshiner will get me.

Some folks mistake me for my cousin the Pump Tank, and attach a spigot to me continually refilling me. In this way I am diverted from my intended mission and lost to the active service. We all have specific work to do in the great organization of The Texas Company, and if I had been intended to spout oil a spout would have been attached for that purpose.

If you need a gas spouter, call on a more vociferous employe of the Company. If you need an oil spouter, get the Sixty Gallon Pump Tank. The Company can sufficiently supply your needs in any equipment from an Easy Pour Can to an Ocean Tanker. Permit each of us to serve in his place.

I am sorry that some persons get in a bigger hurry in removing my contents than they do in sending me back to the Company. They become so impatient that they punch holes in me so that the oil may flow more freely. Hence I am either put entirely out of commission, or am compelled to go to the hospital for repairs. Remember my time is as important as yours and have a little more patience when emptying me. The oil will flow from me if you give it time, and hospital bills and loss of time on my part will be avoided.

Remember I am a *Traveling* and not a *Stationary* Representative of the Company. One of the requirements is that I make a personal report to Headquarters at least every thirty days. My reporting place is a Company Station or Terminal. So please see to it that my report is not delayed, and I will promise not to be late in making my return trip. Lest I get stranded, I would suggest that all interested employes of The Texas Company be on the lookout for me so that I may make the home run in safety.

—Elmer McMillon, Norfolk, Va.

Why Are Shipments Traced?

D. T. WARING, Assistant Traffic Manager, Central Leather Co., in "Shipper and Carrier"

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My experience with shippers while I was in the employ of transportation lines, and my contact with selling, purchasing, and production departments since I entered the industrial traffic field, prompts me to ask and to attempt to answer this question.

In my opinion at least, 50% of the tracing done to-day is useless and serves only to add to the burdens of the railroads, and, to some extent, the traffic departments of the larger corporations, without accomplishing any beneficial results. How many shipments are traced by shippers simply through force of habit or because of the invitations for tracers extended by the railroad? How many shippers really know the meaning of the word "tracer?" When John Smith ships two cases of dry goods out to Henry Jones in Slumberville and asks the agent at shipping point to put a tracer on it, what does he think the agent does? If you should ask the average John Smith he could not give you an answer. If you should ask him how he knows that his requests are complied with, he would point out the fact that the agent always advises him sometime later when the shipment was delivered to consignee. This, of course, is of great value to him when he has already learned from the consignee of the arrival of the shipment.

I do not condemn all tracing, but I do condemn useless tracing, especially of less than carload freight. The tracing of a shipment may sometimes be of the greatest importance to a shipper or consignee, and if the railroad offices were not overwhelmed with unnecessary useless tracers the important ones could be given better attention.

Shipments should not be traced except for the following reasons:

1. To expedite the movement.
2. To prevent delay.
3. To locate an overdue shipment.

I was about to add a fourth reason, namely, to show delivery in case consignee claims not to have received shipment, but this is not "tracing;" it is merely a matter of checking destination records.

My faith in tracing as a means of expediting shipments is not very great. Ordinary tracing amounts only to watching passing or inter-

change reports, and certainly no one can claim that this serves to expedite the movement. It does, however, show whether or not the shipment is moving according to schedule or expectations, enabling one to investigate when it is overdue at any gateway or terminal. And this leads to the second reason—tracing to prevent delay—which in my opinion is the one thing that really justifies tracing important shipments.

Only a few days ago my company had a very urgent carload shipment in transit. When the case was brought to my attention I wired the railroad Division Freight Agent at the first train terminal en route requesting that he advise last record on his division and endeavor to expedite movement if still on his rails. He immediately replied that the car had been bad-ordered and was in the yards at his city, but that he would get it moving at once. Thus results were achieved. My tracing the car possibly prevented several additional days' delay, which would have meant a loss of several hundred dollars to us.

When a carload shipment is overdue at destination, the obvious thing to do is to trace and locate the car. If it is found in some shop, out of route, or in some congested area, it is often possible to have its movement to destination expedited, especially if the shipment is urgently needed.

The tracing of overdue less than carload shipments is another matter. Ordinarily, I would say that a claim for loss should be filed instead of tracing it, because if an L. C. L. shipment is long overdue, it is probably hopelessly lost. There are, of course, exceptional cases, such as shipments of important machine or factory parts, and in certain circumstances it would be advisable to trace overdue L. C. L. shipments. In this connection it must be borne in mind that many of the railroads do not keep records of less than carload shipments at transfer points, making tracing practically impossible.

There should be some definite purpose in tracing freight. Aimless, purposeless tracing should be discouraged by both railroad and industrial traffic men, for the mutual benefit of shipper and carrier.

LAW CURRENT

Rob't A. John

Teaching Foreign Languages in Public Schools.—With a dissent, short but rather vigorous, by Mr. Justice Holmes, Mr. Justice McReynolds of the Supreme Court of the United States has held that a State cannot forbid by law the teaching of foreign languages in the public schools, the same being an interference with the liberty of the parent and a violation of the Fourteenth Amendment of the Federal Constitution. *Meyer v. Nebraska, Barkley v. Ohio*, U. S. Supreme Court Advance Opinions, No. 17, pages 698 and 703.

Corporations—Doing Business in Another State Than That of Its Creation.—A corporation owning even all the stock of another corporation, is not, by reason of that fact alone, doing business in a State where the subsidiary is active, if the management of the subsidiary is by and through its own officers and the holding company acts only within its rights as a stockholder. *Proctor & Gamble Co. v. Newton*, 209 Fed. Rep. 289.

Inheritance Tax on Corporate Stock.—It has been held by two courts that a State cannot subject to an inheritance tax corporate stock owned by a non-resident in a foreign corporation, although the foreign corporation is doing business within the particular state and has property located therein. The Wisconsin Court held that the situs of the stock was in the domicile of the owner, as well as the domicile of the State creating the corporation. Stock in a domestic corporation, therefore, might be subjected to an inheritance tax where the owners are non-residents; but this question is still moot, and will not be finally settled until the Supreme Court of the United States has passed upon the question. 209 Fed. 843 (Wis.); *In re Harkness Estate*, 204 Pac. 911 (Okla.).

Corporations—General Rule to Render Purchasing Corporation Personally Liable for Debts of Selling Corporation Stated.—*Spring Creek Oil Corporation v. Dillman*, 215 Pac. Rep. 1053: The general rule is that, in order to render a purchasing corporation personally liable for the debts of the selling corporation, it must appear that: (a) There be an agreement to assume such debts; (b) the circumstances surrounding the

transaction warrant a finding that there was a consolidation or merger of the two corporations; or (c) that the purchasing corporation was a mere continuation of the selling corporation; or (d) that the transaction was fraudulent in fact.

Admiralty Courts Cannot Appoint Receiver.—The recent case of "*The Owego*" (1 Amer. Mar. Cases, 713) being a decision to this effect, follows out the fundamental principle that, while occasionally an admiralty court may exercise certain equitable functions, it is essentially not a court of equity.

In this case the libel was *in rem*, and in order to prevent heavy losses of earnings the master moved for the appointment of a receiver to operate the vessel pending outcome of the litigation. The court properly refused the appointment on two grounds:

(1) That except in proceedings for foreclosure of a preferred mortgage under the Act of June 5, 1920, (40 Stat. 1004) a court of admiralty has no such equitable powers; neither can it correct errors, enforce trusts, reform instruments, or issue injunctions, except in certain very limited cases.

(2) That the proceeding pending was *in rem*, and if the vessel were operated by a receiver it would naturally be liable to further maritime liens, which, if occurring, would effectively deprive the libellant of the *res*.

Statute Authorizing Suit to Compel Commissioner to Issue Patent Improperly Refused Was Held to Apply as well to Trademarks.—*American Steel Foundries v. Robertson, Commissioner of Patents, et al.*, 43 Sup. Ct. 541. An action was brought against the Commissioner of Patents to compel him to register a trademark based on the Rev. St. 4915 (Comp. St. 9460) which authorizes an appeal in equity to obtain a patent which has been refused by the Commissioner. The statute does not mention trademarks.

Section 9 of the Trademark Act reads as follows:

"Sec. 9. That if an applicant for registration of a trademark, or a party to an interference as to a trademark, or a party who has filed opposition to the registration of a trademark or party to an application for the cancellation of the registration of a trademark, is dissatisfied with the decision of the Commissioner of Patents, he may appeal to the Court of Appeals of the District of Columbia, on

The TEXACO STAR

complying with the conditions required in case of an appeal from the decision of the Commissioner by an applicant for a patent, or a party to an interference as to an invention, and the same rules of practice and procedure shall govern in every stage of such proceedings, as far as the same may be applicable."

The Supreme Court of the United States decided that in view of Section 9 of the Trademark Act, Section 4915 was applicable, not only to patents but also to trademarks and it, therefore, reversed the decree of the District Court and remanded the case for further proceedings. This is the first time that Sec. 4915

has been held to cover trademarks as well as patents.

I shall ever repeat that mankind is not governed by extremes, but by principles of moderation.—*Montesquieu*.

With good leadership the people will follow to do right. With bad leadership they go wrong. Without leadership they blunder along more often wrong than right.

An old-fashioned practitioner is a doctor who can lance a boil without a nurse and two assistants.—*Ex*.



Marine Salesmen at Southern Ports

Left to right—Top row: C. P. Dodge, Jr., General Marine Salesman; G. W. Horton, Galveston; Thomas J. Young, Mobile; Paul B. Diver, Jacksonville; G. D. English, Port Arthur and Beaumont. Middle Row: R. E. Fairbanks, Miami; Hugh D. Cothran, Charleston; T. H. Long, Jr., Pensacola; W. E. Oberschmidt, Gulfport; H. Duggan, Tampa. Bottom row: A. B. Fields, New Orleans; J. E. Adams, Savannah; W. S. Bowles, Miami; T. W. Jones, New Orleans.

The TEXACO STAR

DEPARTMENTAL NEWS

The managers of the respective Departments have assigned to the gentlemen 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 cooperate.

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
Sales Dept. W. 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. McMorris, Jr.,
Fort Worth
J. A. Brownell, New York
A. Bass, Port Arthur
H. Norris, New York
H. Tomfohrde, Houston
H. G. Symms, Houston
R. Fisher, New York
B. E. Emerson, Houston
P. A. Masterson, New York
C. M. Hayward, New York
Miss M. Marshall, N. Y.
R. C. Galbraith, Houston
Personnel Committee, N. Y.
F. C. Kerns, Denver
J. J. Smith, New York
J. B. Nielsen, New York
J. A. Wall, New York
J. T. Rankin, Houston
Otto Hartung, Houston
Fred Carroll, Houston
C. W. Pardo, Tampico

REFINING DEPARTMENT

WATER SHIPMENTS BY THE TEXAS COMPANY FROM
PORT ARTHUR, TEXAS, MONTH OF OCTOBER, 1923

Refined—Coastwise	1,038,191 bbls.
Refined—Foreign	309,790 bbls.
	1,347,981 bbls.
Crude—Coastwise	266,667 bbls.
Total	1,614,648 bbls.

N. Y. Off. Term. Div.—A. S. Patrick, formerly of this office, dropped in from Port Arthur. "Pat" thought he had us fooled on this "Just a vacation" stuff, but we have seen too many "hop off." A happy vacation, Pat.

Bayonne Terminal.—We are proud to have in the Bayonne plant an employee to whom the risking of his life to save another life is an ordinary occurrence. Some months ago he made another rescue, and we recently noticed in our local newspaper that Patrick Murphy, one of the volunteer life savers, jumped overboard and pulled ashore a swimmer who had been seized with a cramp. Pat, who is the driver of our White Truck, took his dip without removing any of his clothes. In fact, as he took the first few strokes he was seen to be still wearing his hat.

We have a line-up of twenty bowlers who claim they can put a team on the alleys equal to, if not better than, the best. Consequently we are entering the Industrial League tournament with the hope that we can secure a top

notch score all the way through the season.

A new addition to our local activities is a volley ball team, which has been inaugurated under the rules of the Industrial Athletic Association of Bayonne, N. J.

Providence Terminal.—Our Terminal claims the distinction of having more marriages in one month than any other terminal. Can any other beat this: A. D. Kingery, J. R. Alexander, R. A. Olsen, H. M. Sanders, J. Malo.

Dan Moran was presented a bouncing girl by Mrs. Moran on Oct. 7. This makes eight children for our diligent guard, four boys and four girls. We don't blame Dan for being proud.

RAILWAY TRAFFIC AND SALES DEPT. C. J. Quinn gave a party at his house on October 6 to the Chicago

Office force. Everybody agrees that Mrs. Quinn is a delightful hostess and a wonderful cook.

At the annual Lockport Picnic, on September 27, all employees of the Railway Traffic and Sales Department and their families had a wonderful outing and they extend their thanks to Mr. Bogart and all employees of the Lockport Refinery who acted as hosts. We understand "Zip" Kizer of Sales Department and Ed Martin of this department took several prominent members of Commercial Sales Department into camp, as well as their shekels, pitching horseshoes.

SALES DEPT. S. TERRITORY Houston District.—With deep regret we report the death of Agent C. S. Bennett of Angleton, Texas. Mr. Bennett had a host of friends in the District and was well known throughout Brazoria



Corpus Christi, Texas Station

Left to right: Agent W. R. Coons; Cashier L. L. Norwood; Salesman J. A. McCrorey; Auditor A. M. Chase; Qck Delivery Driver J. D. Ward; Tank Motorman W. E. Easley; Tank Motorman C. L. Hassell. This live bunch set a real gallone record for Corpus Christi Station during August.

The TEXACO STAR



Galveston, Texas Station

This is the station whose gallonage recently drew favorable comment from an executive. Left to right: Agent T. R. Mitchell; Marine Salesman G. W. Horton; Motor Inspector T. W. Bradfield; Auto Repair Shop Clerk J. A. Weed; Cashier R. G. Farrow; Tank Motorman M. Castaldi; Tank Motorman Ed A. Grenrood.

County. We have lost a valuable man and we shall miss his hearty greetings when visiting District Office. Our sympathy is extended to his family.

J. E. Simpson has been appointed Agent at Angleton succeeding C. S. Bennett deceased.

John Steiner, City Salesman in San Antonio, has been promoted to Assistant Agent *vice* R. L. Groce, Jr., resigned. J. L. Reed, Tank Motorman, succeeded Mr. Steiner. Mr. Stiner and Mr. Reed are both live wires and they will supply new energy to a Station that is already humming with business.

Agents J. A. O'Reilly, C. C. Cox, N. P. Ward, H. Rodrigo, and Salesman B. L. Kowalski paid visits to the D. O. this month. We are always glad to see Texaco representatives and hope we may have the pleasure of seeing many more agents and salesmen in the near future.

Dallas District.—The Dallas force is in fine spirits and enjoying the annual Fair Season and visits of friends very much. The weather is ideal. Our exhibit at the Fair is attracting favorable attention and merits the many compliments received. The exhibit was put in by J. N. Parrott with assistance of Motor Inspector Lawson and others of D. O. force, and is in charge of Mr. Parrott and F. B. Byrnes.

Mr. and Mrs. L. A. Oliver are rejoicing over the arrival of a fine baby girl on October 23.

Oklahoma District.—The International Petroleum Exposition, held in Tulsa October 8 to 14, was one of the greatest gatherings of



Chelsea, Okla.

Just look at this filling station owned by Morrison and Douglas at Chelsea, Okla. It looks like an ivy-clad cottage for a pair of lovers. It is a sight for sore eyes to pass this beautiful little filling station where the Red Star and Green T is displayed so prominently. Mr. Harvey Douglas of this firm is our Agent at Chelsea and is hitting the ball over there.

the Oil Fraternity ever gotten together. Tulsa looked like a beehive—the town was full of overflowing as well as the hotels. Superintendent Daniel, Ass't Sup't Faerber, Lub. Ass't Affleck, Engineers Prewitt and Shanks, Special Agents Warden and Johnson, and Agent Wallace of Tulsa all were in attendance at the lectures and gained much information therefrom. The Texaco Booth attracted the attention of all, and great credit is to be given our Tulsa representatives and Superintendent W. K. Holmes of the West Tulsa Refinery.

The Oklahoma City Fair booth spread Texaco Cheer to all visitors in Exhibition Hall. The exhibit was a miniature Type "H" Filling Station with drives and pumps complete. Small automobiles and trucks were filling at the pumps, with a roadster being greased on the grease rack. We were voted as having the keenest booth at the Fair and great credit is due Ass't Sup't Faerber who originated it.



Hugo, Okla.

Hugo Station is showing an increase during 1923 against 1922 figures. Hence, no doubt, the smiles of Ass't Agent Loftis and Truck Driver Sy Williams. Agent G. E. Beatty is proud of his station and of these true Texaco employees.

The TEXACO STAR

We welcome Miss Emma Lee Holley as the new bride of Agent J. A. Matthews at El Dorado, Ark. J. A. just slipped away and tied the knot—didn't ask any of us. Good luck to both.

The son of Agent E. W. Flippin of Pauls Valley Station was killed in Los Angeles on October 3. We extend deepest sympathy to this old friend of ours.

If there is any one who doubts that Oklahoma has been flooded for the last 30 days—that roads have been almost impassable—that automobiles were no good—that Noah and his Ark were needed—ask Messrs. Daniel Faerber, Affleck, and Prewitt. They were 28 hours driving from Tulsa to Oklahoma City, without sleep or food. They said, "It was a night of horror."

New Orleans District.—A. F. Laughlin, tank motorman at Jennings, La., is the proud father of a new baby who arrived October 16. Congratulations.



Wausau-Southern Lumber Company

View taken from the air of the Wausau-Southern Lumber Company's plant at Laurel, Miss. We have had this contract for the last five or six years. It was recently renewed through the efforts of Engineer-Salesman Downs and Special Agent Green. This is evidence of the kind of service performed by Laurel Station; they maintain prompt deliveries and take an interest in the customer's viewpoint.

Atlanta District.—This month we enjoyed having Chief Motor Inspector Spear with us for a few days. He held a meeting of Motor Inspectors of this District for three days and we are confident that they were greatly benefitted by the discussions and instructions given. To get together and discuss matters which are not thoroughly understood and to get different opinions on a subject helps a fellow out a whole lot, and we feel that our



Maysville, Ga.

This filling station, according to Agent E. L. Williamson of Jefferson, Ga. Station, is one of his best customers.

Inspectors get a lot of good out of these meetings which enable them to handle their work more efficiently.

We have the pleasure of announcing the arrival of Jean Elizabeth at the home of Motor Inspector H. W. Atkinson, Atlanta, Ga., on September 29. "Bert" is one of the proudest Motor Inspectors you ever saw; he says he now has a boy and a girl which gives him an ideal little family.

Our Order Clerks in the D. O. are now all men of families, for on October 18 little Robert Warren arrived at the home of Mr. and Mrs. R. W. Gaston.

Commission Agent J. W. Sproles, Greenwood, S. C., on September 16, lost his wife through death. The sympathy of his many friends throughout the District goes out to Mr. Sproles.

Driver E. L. Thornton, of Anderson, S. C. Station, experienced a sad loss in the death of his mother on September 26 and his many friends extend their sympathy to him.

About the only bone-dry spots in the United States are some of the oil wells.

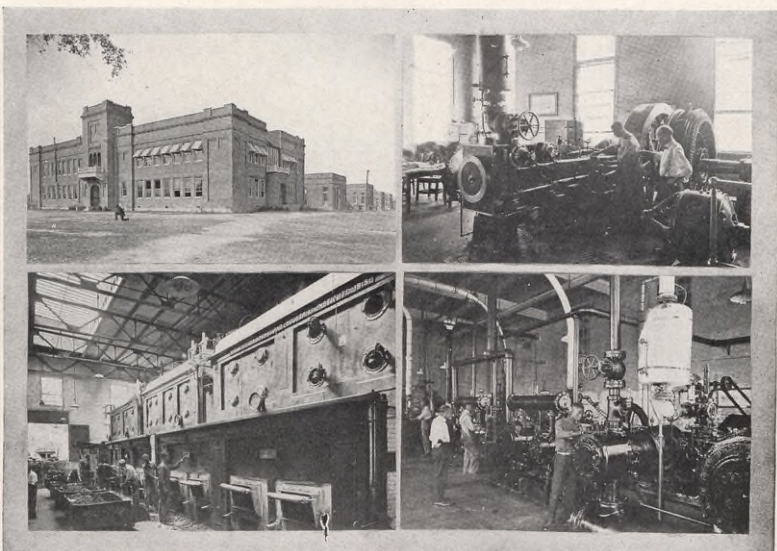
—*New York Tribune.*



O'Dell's Service Station, Gainesville, Ga.

This station and rolling equipment belong to Commission Agent H. G. O'Dell, who is doing good business through both his service station and the distributing station.

The TEXACO STAR



Tuskegee Normal and Industrial Institute

Trade Buildings, where 800 boys are taught one of twenty-nine mechanical trades. Views in the Power Plant.

This largest and most prominent negro school in the world recently closed contract for Texaco lubricants for all their requirements for the third successive year. They use only Texaco products and are highly pleased with the results.

Florida District.—Among recent visitors to our District Office was W. B. Williams of Houston, Assistant General Superintendent Southern Terminals.

Johnnie Bradshaw, Assistant Agent at Jacksonville, has been appointed City Salesman at that point. Johnnie's work has been of the "gilt edge" variety, and we are confident that his work as City Salesman will be of the same kind.

The inroads of Cupid upon the bachelor ranks in Florida District continues. A. E. Bracewell, of D. O., and Joe Hilton, Assistant Agent at Miami, are the most recent recruits of the little winged god. Mr. Bracewell married Miss Lois Brownlee, of Jacksonville, Mr. Joe Hilton escorted Miss Virginia Nimmo to the home of a Fort Lauderdale minister and when he led the charming young lady away she was Mrs. Joe Hilton. To all we extend heartiest congratulations and best wishes for happiness.

A broken switch makes a useless dynamo.

SALES DEPT. W. TERRITORY

Denver District.—In the last month three new stations have been opened in Denver District: Antonita, Colorado, Agent C. D. F. Menke; Chama, New Mexico, Agent Chas. K. Moore; Delta, Colorado, Agent P. J. Dillon.

An 8-lb. baby boy arrived at the home of



Lusk, Wyo.

Celebrating the arrival of the first car of 319 Texaco Volatile Gasoline at Lusk, Wyoming. Agent Jack is standing next to the canvas sign.

The TEXACO STAR



Denver Filling Station No. 11

Located at Littleton, Colo., 10 miles south of Denver on the Denver-Colorado Springs highway.

This is something new with us in service station design. It is attractive in appearance and the cost, in a comparative sense, is very low. For that reason we feel that this photograph may be of general interest.

Denver City Salesman C. D. Matthews last week. Congratulations.

Miss Lionne Bird entertained the "Texaco Girls" club with a Hallowe'en party at her home on the evening of October 18.

Mrs. Ruth Hartman, Extension Clerk in D. O., and Mr. Russell Richards were married on October 12. Best wishes for a long and happy life.

El Paso District.—For the third time this year our Agents at Miami, Arizona, and Albuquerque, New Mexico, have established new records for their stations.

Our new station at Gallup, N. M., is off to a good start with Agent R. P. Kettner in charge. Mr. Kettner is one of the most popular of the younger business men in Gallup and we look for fine results there.

Agent J. H. Shapard, Douglas, Arizona, and Assistant Agent Immes conducted our exhibit at the Cochise County Fair October 10-12. With a pyramid display, Easy Pour continuous pouring device, and Thuban Transmission demonstration, our booth was one of the most visited and most commented on. Thousands of gauge sticks, booklets, etc. were distributed and we look for much real good from our exhibit.

Eight months ago Texaco was unknown in Phoenix, Arizona. Today you see the good old trademark flashing at you from many corners. Agent Fred Wilcox is the answer. The Phoenixians have confidence in Fred, and when he told them Texaco was a good bet they took his word for it. Now they know it's good from their own experience. Congratulations, and more power to you, Fred.



Prescott, Arizona Station

Owned by our distributors, The Upton Oil Company. This company also represents us at Wickenburg, Clarkdale, Cottonwood, and Ashford, Arizona. G. B. Upton, President of the Company, is one of the pioneers and one of the best known figures in the oil business in Arizona.



Prescott, Arizona

One of the beautiful filling stations operated by our Prescott distributors, The Upton Oil Company. This station was built from granite quarried about fifteen feet from its site.

Billings District.—The principal business of The Texas Company at the present time, in its Western Territory, is growth, and Billings District, although new, is making some high marks for the other districts. During the month of August, according to a statement for our three fully organized districts, we took four first and three second places, leaving all third places to competitors. We are proud of this record and of the man who has made it possible.



Sup't F. N. Brees

Salesman H. R. Day of Fargo, N. D., on September 30 was leading in the Motor Oil and Thuban Compound Campaign. The contest closes December 31 and the winner will receive a handsome gold Texaco watch fob.

Matt Munn not only talks like a Scotchman but he acts true to form. There has been rain and there has been mud, but Matt gets the money. Matt represents ten stations. Five

The TEXACO STAR

of them reached 100%, one did better than 99%, two others were in the nineties. Of the two remaining one attained 84.81% and the other 79.67%.

The floods in Wyoming have been very destructive. The postmark shows that the final reports of Agent E. A. Stevens, Buffalo, Wyoming, were mailed at some town on the Billings side of the washouts. Whether Mr. Stevens used an airplane or a boat we do not know, but his reports reached D. O. on time.

Spokane District.—We are pushing right ahead with the construction program and expect to have more than thirty stations in operation by December 1. We are not making any boasts, yet we will throw out a gentle hint that some of the older districts had better look to their laurels for 1924.

Omaha District.—We are pleased to announce the appointment of M. E. A. Macmanus as Representative of the Omaha District. Mac worked out of the Houston Office for years and he is now making the rounds with our new Agents and Salesmen. We are proud of "Mac."

Omaha District announces opening of the following stations in October: Gregory, S. Dakota, Agent J. A. Wiltse; Holdredge, Neb., Agent A. M. Crum; Vermillion, S. Dak., Agent A. A. Cotton, Jr.; Falls City, Neb., Agent W. L. Peterson; Fairmont, Neb., Agent R. E. Moyle; Platte, S. Dakota; R. M. Watson.

The Texas Company of Utah.—Lawrence E. Noble made his debut in Salt Lake City District by selling a carload of lubricating oil, mostly motor oil. Some of you carload salesmen had better look out for your honors.

A. A. Ladd, our genial construction foreman, is erecting a sales station that will be the envy of other Districts in Western Territory. The next issue of the *Star* may see it completed and we hope to be allowed to show a photograph of this "model Station."

H. J. Clark, Gen'l Construction Foreman, has visited us; his efficiency and speed is contagious.

We are deluged with applications for employment. They all say they know or have been told of The Texas Company's policies and want to join a company with such ideal business ethics even though it may mean a temporary loss in compensation, which proves that a policy based on the golden rule pays the largest returns in the long run. We who are fortunate enough to be in the Texaco Family know these applicants voice our sentiments.

SALES DEPT. N. TERRITORY

Advertising Division.

—Mr. and Mrs. Edward Johnsen announce the marriage of their daughter Agnes to Mr. Kurt M. Lieder on October 20, 1923. At home after November 3 at 35 Ocean Road, Great Kills, Staten Island, N. Y.

New York District.—The following letter was received from a lady who appreciates Texaco service:

The Texas Company, New York City.

Gentlemen: This letter is just to tell you about the extraordinary courtesy of two of your motor drivers. Today I was driving to New York City via Queensboro Bridge. The traffic was stopped about three or four blocks from the approach to the bridge. I stopped along with the rest of the cars. When it was time to start again, I found to my utter dismay that I could not even get the motor to turn over. Thus the whole line of cars in back of me was delayed. Horns were barked and impatient people wondered why I did not go on. I felt as only the motorist who has "stalled" can feel. I was absolutely at a loss as to what to do. At last a large Texaco motor truck pulled up alongside of my car and the driver and his partner alighted. They offered their services and worked at the car until the cause of the trouble was found and remedied. I can't say too much in their praise for they proved themselves "Walter Raleighs" both, to a "girl in distress." It is a pleasure to find this type of man on the road.

Yours very truly,
Josephine J. McCormick.



Our Long Island City Plant

View from entrance showing tank-car loading rack and office in foreground, stable and laboratory in background.



Texaco Crystalite for Asphalt Mixer

Making delivery of Crystalite to Andrews Bros. at their Roslyn, L. I. dock. Andrews Bros. are the largest road builders in this section of the country and Crystalite is used to fire their asphalt mixer at this plant.

The TEXACO STAR



On Lake George

Three racing boats and one fishing launch owned by Mr. J. Moore and operated on Lake George. All are bunkered with Texaco Gasoline.

The two boats shown racing were the fastest boats on Lake George last summer. In this race the head boat made a test of Texaco Airplane Oil No. 1 with such good results that we expect to get all of his lubricating business from Mr. Moore.

A CONTRAST

At a Gasoline station

I met a man who was careless.

He waited for me to

take off the cover of my gasoline tank.

He handed me the hose to put in and he pumped so fast that the hose slipped out losing some of the gasoline I was to pay for.

Not a word did he mention about needing motor oil but just seemed too eager to get the money, and that's all.

At another station I met a man who came forward in a uniform when I drove in, who greeted me with a smile, and who took off my gasoline cap and suggested that filling up your tank would be wise.

When he finished he inquired if he should see if I needed Motor Oil, which I did.

He inquired about water in the radiator, also air in my tires. He told me of the numerous

free services of the station such as draining crankcases, filling up your transmissions and differentials, also battery service, and about the good qualities of his products. He thanked and said, "Call again," which I surely will do. I then glanced around and saw it was a Texaco Station.

—G. Walls,

Prince and Lafayette
Filling Station,
Brooklyn, N. Y.



Here is the latest photograph of "Doe" Haden, Representative, Albany Territory. It is evident that his new position agrees with him. Doc, you must miss that West Street dust!

Boston District.—



The Argonne Rest Camp

A 100% filling station in Western Massachusetts known as the Argonne Rest Camp, operated by Thomas F. Gray, Brimfield, Mass.

Philadelphia District.—Wayne B. Shaffer, of our Engineering Staff, died September 29. The news of Mr. Shaffer's death came as a great shock, as he was always vigorous and in the best of health. A beautiful floral tribute was presented by his many friends throughout the District, a number of whom called to pay their last respects, and to extend their deepest sympathy to Mrs. Shaffer. Mr. Shaffer had been with the Company since April 1, 1919. He was almost continually on the road, a hard and conscientious worker, and always had a kind word for everyone. His genial personality and efficient services will be greatly missed.

T. F. Bludworth, for some years on the supervising staff of the Vacuum Oil Company, is now Supervisor of General Lubricating Sales in the Philadelphia District.

The Capitol Oil Company at Culpepper, Va., report September was the biggest month they ever had in every product. Congratulations.

Pittsburgh District.—Ass't Agent J. J.



Chillicothe, Ohio

This West Side Auto Service is an exclusive distributor of Texaco gasoline and motor oils. They estimate their requirements at 350,000 gallons of gasoline and 8,000 gallons of motor oil during their first year of handling Texaco products.

The TEXACO STAR



Fire Department, Mansfield, Ohio

Fire Chief Henry Marks and Ass't Chief W. H. Remy are seated in the front seat of the touring car at the left, and Mayor H. G. Brunner and Safety Director C. H. Stander are seated in the rear. All the equipment is lubricated with Texaco Motor products.

Jacobucci of Wheeling Station announces the birth of a daughter, Beverly Joan, on Sept. 16.

Ass't Agent V. T. Becker of Cleveland Station announces a son born Sept. 22.

Clarence Daughenbaugh, Chauffeur at Cleveland Station, was married to Miss Ethlyn Meyers at Freemont, Ohio, on September 15. We extend our congratulations.

Chicago District.—We held an interesting Agents' Meeting on October 9-10 at which ways and means of reducing expense were considered.

The Chicago Sales and Railway Traffic and Sales Departments and the Lockport Refinery held a picnic at Electric Park, Plainfield, Illinois, on September 28. A barbecue dinner was spread for over 800. Games and contests of strength and speed followed each other throughout the day and a fine orchestra provided dance music during the afternoon and evening. Without a dissenting vote it was our most successful picnic.



Moberly, Missouri

Station No. 1 (204 E. Coates Street) of the Independent Oil Company, our Distributor at that point.

Norfolk District.—Much benefit was derived by all present, from the Mechanics' Meeting for Norfolk District held September 17.

Messrs. Spier and Myers of the Automobile Service Company, Charlotte, N. C., visited the D. O. September 15. They reported a very enjoyable time, especially the trip to Virginia Beach.

W. P. Warner, who has been connected with the Automobile Service Co., Charlotte, N. C., for the last four years, came with The Texas Company October 16 as Dealers' Aid for Territory "F." We are glad to have Mr. Warner with us, and wish him much success.

A very attractive display of Texaco products was made by J. C. Brown, Distributor, Schley, Va., at the Gloucester County Fair.

Abernathy Hardware Company, our Distributor, feels amply repaid for its display of Texaco products at the Four County Fair, held at Hickory, N. C.

For the Rocky Mount, N. C., Fair, Agent Brown and Chauffeur Dickens of Rocky Mount



Palmer Fisheries, Inc., Reedville, Va.

Operated with Texaco Fuel Oil C and Marine Oils exclusively. They have two of the largest fishing steamers on the Atlantic Coast, each holding approximately 1,500,000 fish. Most up-to-date fish plant on Chesapeake Bay.



Old Point Motor Co., Phoebus, Va.

Entrance to Old Point Bridge, exclusively Texaco, served by L. M. Newcomb, our Distributor, on the principal boulevard from Fortress Monroe to Phoebus, Hampton, Hilton Village, Yorktown, and Newport News.

The TEXACO STAR



Asphalt Bottom for Wading Pool

Manhattan, Kansas, is the seat of Riley County and the home of the Kansas State Agricultural School, one of the leading institutions of this type. Last year the city decided to build a wading pool in the public park. It is constructed in an ellipse with major axis 200 feet and minor axis 160 feet. The depth is graduated from eighteen inches at the edge to nine feet in the center, where safe diving is provided from a platform. From the edge of the pool to forty feet out the slope of the bottom is about one inch to the foot; then a sharp drop to the central depth of nine feet.

It was decided to surface the forty foot strip along the edge with asphalt and the central area with cement concrete. After the dirt bottom had been consolidated by rolling, a two-inch layer of gravel was spread. Over the gravel was constructed a $2\frac{1}{4}$ -inch course of asphaltic concrete, containing 94.2% sand and 5.8% Texaco Asphalt Cement. On top of this came the sheet asphalt wearing surface, one inch thick containing 11.8% Texaco Asphalt, 29.4% fine sand, 58.8% coarse sand. The quantity of 200-mesh and 80-mesh material in the sand was reduced considerably below what is normally used in a paving mixture.

When the whole bottom was ready for the water, the basin was flooded. It was then observed that the asphalt was perfectly waterproof, but the cement concrete in the center was allowing the water to penetrate. The basin was emptied and the concrete was given a thorough seal coat with asphaltic cement of the same quality as that used on the bottom of the wading portion. When the basin was again flooded the entire bottom was found to be waterproof and no further trouble has been experienced.

Bathers who have not yet mastered the art of swimming and are confined to shallow water find the asphalt bottom to be an ideal treading surface. The waterproof quality of Texaco Asphalt is well known and is one of the reasons for the extensive use of our material in road and street construction.

This asphalt bottom was constructed under the supervision of B. K. Waters, Superintendent for M. R. Amerman. Mr. Waters' wide experience in asphalt work contributed to the excellent results obtained.

Station decorated one of our trucks in a manner which caused much favorable comment.

We extend our sympathy to Chauffeur W. L. Hucks, of Charlotte, N. C. Station, for the death of his son.

W. C. McCord, Chauffeur at Charlotte Station, and Miss Marie Dellinger were married on September 27. Congratulations.

J. H. Hurley, stenographer in D. O., and Miss Evelyn Staylor were married September 22. Congratulations.

ASPHALT SALES DEPT.

With a feeling of deep sympathy for our associate we inform the organization of

the death of the father of J. P. Daly, Texaco Asphalt salesman in the State of New Jersey. Our co-worker's sad loss occurred October 20.

We had never suspected that the climate and soil of Summit, N. J., was adapted to the cultivation of so many different kinds of flowers. The source of our enlightenment is Francis H. Gilpin, a resident of Summit, who is Assistant Engineer of our Eastern Division. Throughout the summer, and even now, our eye is regularly attracted to Gilp's lapel by some new bit of floral beauty clipped from the home garden. We have come to the conclusion that Gilp must be one of those horticulturists.

The TEXACO STAR



A Department group at Bear Mountain

The Asphalt Sales Department is always well represented in activities staged by the Texaco Association of New York. The boat ride up the Hudson on September 12 was no exception. Here is a group composed principally of members of our Department who enjoyed the outing to the utmost.

EXPORT DEPT.

We recently had the pleasure of a short visit from General Manager L. D. Ricci of The Texas Company (South America) Ltd., Brazil. Mr. Ricci returned to Rio on October 27.



Athletic medals in Java

Eleven Texaco medals were awarded to the winning team at a recent important football match at Batavia, Java, D. E. I. These medals were distributed to the winning team just after the match was over by one of the most prominent gentlemen in Batavia. The event was prominent in local newspapers.



Texaco Roofing in Belgium

Papeteries Anversoises, S. A. (Paper Works) at Duffel, Belgium, covered with 3,000 sq. meters Texaco Roofing.



Texaco Roofing in Shanghai

Laying Texaco Roofing on Dah Foong Cotton Mill, Shanghai



Texaco Roofing in Shanghai

Texaco Slate Surfaced Asphalt Shingles on roof of Allen Memorial Church, Shanghai, China.



Texaco Roofing in Belgium

S. A. Sucreries Reunies D'Ath-Beloil (Sugar Mills) plant at Ath, Belgium, covered with 2,800 sq. meters (30,000 sq. feet) Texaco Roofing and Texaco Asphalt on concrete.

It is easy enough to start most things, but to see the thing through is the test of character.

The TEXACO STAR



Cebu, Philippine Islands

Inter-Island steamer at our Cebu warehouse wharf. The approach to the wharf was laid by hand in coral rocks. New spacious warehouse of The Texas Company (P. I.) Inc., erected on a "made" island just off the mainland of Cebu. Its location puts our P. I. subsidiary in an excellent position to distribute their products all over the Southern Islands which are becoming increasingly important. The Texaco sign is seen by all vessels passing through the main channel to Cebu.

Traffic control "towers." The Texaco sign is on all four sides of all the towers on this main thoroughfare. Group of the local Anglo-American competing teams for the International Tennis Championship at Cebu, P. I. Mr. R. S. D. Oyly-John, Texaco Representative, is seated second from the left; he won the American Singles Championship and was second in the British ditto this year.



Office of T. T. Co. (P. I.) Inc., Manila



The Texas Company's Warehouse, Santiago, R. D.
Pedro Sanchez Leon, Agent at Santiago, in door; R. E. Berges, Clerk, at extreme right; J. F. Gutierrez, Warehouseman.

PRODUCING DEPT.

The annual banquet of The Mid-Continent Oil and Gas Association, held October 10, was attended by over 600 members from various parts of the United States, who had gathered for the Oil Exposition. The principal address of the evening was delivered by Judge C. B. Ames, General Counsel for The Texas Company. Judge Ames was warmly received by those present and his splendid

address was listened to with great attention.

Baby James Biddle demonstrated that Texaco Products are always superior, when at the recent Tulsa County Fair he was awarded first place as the most perfect infant in the baby show. Jack Biddle, the father of this little champion, is Chief Clerk in the Gasoline Division at Tulsa and is well known in the Company, having previous to his transfer to Tulsa been employed in the Houston Office.

The TEXACO STAR



Red River Crossing of the Louann, Ark.-Ardis, La. 10-inch Main Line

The Texas Pipe Line Company can now boast of the largest of the several pipe lines laid across this treacherous body of water near Shreveport. The up-stream curvature in the line is for the purpose of making allowance to permit the pipe to adjust itself to any changes caused by the shifting quicksands for which the Red River is noted. It is our contention that, regardless of the depth of the quicksand, the line laid in this manner will firmly embed itself to a level where it will be out of danger from swift currents during flood waters. The deep excavating on the east bank of the river was due to the fact that only a few years ago this was the channel or bed of the river, and it is possible at any time that the channel may again shift to the east. The line has been laid at the present low stage water level to where it passes over the east levee, a distance of 2,175 feet from where it enters the river at the west bank.

It has been our experience that pipe lines laid in water, as well as those laid on land, to insure longevity, must be protected with a heavy coating of Texaco asphalt of a special grade held secure by a wrapping of Texaco roofing felt. Some practical and convenient way of applying this protection to the pipe before it was submerged appeared to be our greatest difficulty; but this, like all other difficulties, merely furnished food for thought, and the problem turned out to be an easy one. We have better protection from this source in the water than we have on the land. We are confident that the present line, which is further protected by collar clamps, each weighing 1500 lbs., will withstand any rise in the river.

The work of excavating was extremely dangerous on account of the possibility of the quicksand caving or slipping into the ditch. In the photograph the man standing on the line in the deep excavation is Foreman P. B. O'Donnell who appears busily engaged in holding up the banks. P. J. Horkins, the Chief Gaffer of the excavating crew, is among those further back.

PIPE LINES

The return of J. C. Colligan from Shreveport to Dallas marks the completion of the construction of our main lines in the vicinity of Louann, Ark., Ardis, Louisiana, and Logansport, Texas, which has been in progress since the first of the year. C. F. Bowman, and S. J. Granger have returned to Houston to take up their duties there. C. J. Goodwin returns to Dallas.

Superintendent J. H. Borchers of Telegraph and Telephone Division has been called to Lorton, Nebraska, on account of the death of his father. We sympathize with Mr. Borchers.

Cards have been received announcing the fiftieth wedding anniversary of Mr. and Mrs. J. W. R. Attleberger on October 28, 1923. Twenty years of this time has been spent with The Texas Company and The Texas Pipe Line Company. We extend to Mr. and Mrs. Attleberger our hearty congratulations and wish them continued happiness and prosperity.

Mr. and Mrs. I. W. Wade, Houston Office, announce a 9-lb. boy, named Burton Leon.

Mr. B. B. Townley, father of W. V. Townley, of the Henrietta pumping station, died October 14. We extend our sympathy to Mr. Townley.



El Gran Turismo

First service station in Mexico—opposite the Alameda on Avenida Juarez, principal thoroughfare in Mexico City. Piana y Mirabent, the owners of this auto supply store are real Texaco boosters. A crowd always watches the ever-running oil.

The TEXACO STAR



Bear Mountain — Interstate Park — On the Hudson

The white patches at the right center of the photograph are Bear Mountain Inn and environs, the largest being the Inn.

Outing of the Texaco Association of New York

September 12, 1923, was declared a day of outing for employees of the New York Office. President Beaty requested that arrangements be made to suspend business in all departments as far as practicable so that all who wanted to would be given opportunity to go.

The Outing Committee of The Texaco Association of New York arranged for a trip up the Hudson River to Bear Mountain on the Steamer *Mandalay* and issued an invitation to all employees and their families and friends, with special reference to children. The response was generous, and a splendid family spirit prevailed throughout the day.

The *Mandalay* is a specially built, twin screw vessel, nearly 300 feet long, with beam of 60 feet. We found every facility for the comfort and pleasure of old and young. She has four observation decks, one of which contains an excellent railed-in dancing floor. The *Mandalay* band was supplemented by a special orchestra hired by the Association and this afforded continuous dancing, one of the most enjoyed features of the outing.

Leaving New York at ten o'clock, we arrived about one at Bear Mountain, a part of the Interstate Park which is a tract of land in the Ramapo Mountains made available for the enjoyment of the city dwellers through the generosity of the late E. H. Harriman and others. After a short climb on foot or in motor busses, we reached the park and once again appreciated the splendid work of the Committee in selecting such an ideal place. There were plenty of tables and benches under the trees where a large number enjoyed the picnic lunches they had provided, others taking advantage of the chicken dinner served at the attractive Bear Mountain Inn. In the afternoon there was plenty of amusement for young and old—boating on the lake, swings for the kiddies, tennis, baseball, dancing.

The "All Aboard" whistle sounded at six o'clock, and the happy party sailed down the river still dancing or gathered in groups on the upper decks singing as the evening shadows fell.

We reached New York in good time, making an uptown stop about nine and the Battery about nine-thirty. Every one of the party will look back upon that day as one to be long remembered—a day of complete enjoyment from start to finish.



S. S. Mandalay

A recent photograph but not taken on Texaco Outing Day—she was loaded to capacity that day.

To lighten your load, laugh often.—*Forbes*.

Page thirty-two

D. A. Brown, President
Texaco Association of New
York, and F. J. Shipman,
Chairman Outing Com-
mittee.



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.

EXECUTIVE. What the Men Who Work for Me Have Taught Me. George H. Charles, Vice Pres. and Gen. Mgr. United Alloy Steel Corporation.—*System*, October 1923.

ACCOUNTING. Do You Show Profit or Loss? W. M. Trego.—*Petroleum Age*, October 15, 1923.

PRODUCING. A Survey of the California Oil Situation.—*Oildom*, October 1923.

NATURAL GAS. A Natural Gas Era. Geo. A. Burrell.—*Petroleum Age*, October 1 and October 15, 1923.

FUEL OIL. Passing Up Oil's Best Bet. Henry L. Doherty.—*Petroleum Age*, October 1, 1923.

SALES. He Just Missed a Sale. Perry W. Stamps.—*System*, October 1923.

LUBRICATING. Research Reveals Laws of Friction in Lubricated Bearings. P. M. Heldt.—*Automotive Industries*, October 11, 1923.

Opinions Vary Regarding Usefulness of Oil Grooves. P. M. Heldt.—*Automotive Industries*, October 18, 1923.

ENGINEERING. The "Office Engineer" and Drafting Room Management. Robert W. Shelmire.—*Industrial Management*, October 1923.

GENERAL. Economic Difficulties in Government Regulation of Oil Business. C. B. Ames, General Counsel The Texas Company.—*National Petroleum News*, October 10, 1923.

Taxation Policy Defined by National Automobile Chamber of Commerce.—*Automotive Industries*, September 27, 1923.

Couldn't Make City Ferry Pay—But Freed of Politics the Same Man Turned a Growing Deficit into a Profit. F. R. Singleton.—*The Nation's Business*, October 1923.

No Time for Pessimism. H. G. James.—*Petroleum Age*, October 1, 1923.

Tendencies toward the Incentive Method of Wage Payment. Ordway Tead.—*Industrial Management*, October 1923.

Are Americans a Timid People? Agnes Reeller.—*Yale Review*, October 1923.

General Practice. A. G. Keller.—*Yale Review*, October 1923.

Where Will Be the Next Interoceanic Canal in the Americas? W. W. Rasor.—*Pan-American Magazine*, October 1923.



Football in Batavia, Dutch East Indies

This husky football team elected to have its picture taken beneath the Winning Texaco Star after a recent victory at Batavia.



Answer the Roll Call

Last Day—Nov. 29