

THE

TEXACO STAR

WINTER 1951





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At Chicago's Museum of Science and Industry, diorama illustrating progress in American drilling methods is among exhibits. Working models of well-drilling equipment depict improvements made since the Drake well (lower right) was drilled. The display is part of an oil industry exhibit, sponsors of which include The Texas Company

MILESTONE—The last petroleum refinery in Titusville, Pennsylvania, one-time oil capital of the world, ceased operations in November, according to an Associated Press dispatch. The world's first refinery for processing crude oil was established at Titusville in 1860. In oil refineries now located elsewhere in the nation, more crude oil is being run to stills at present than at any time in the history of the oil industry.

THE ROAD AHEAD—In 1950, for the fifth consecutive year, the domestic petroleum industry invested more than \$2,000,000,000 for development, modernization, and expansion of its facilities in this country, according to an estimate by Frank M. Porter, president of the American Petroleum Institute. This is equal to \$14.50 for every man, woman, and child in the United States.

SALTY VENTURE—Reports of 400 shallow hole tests in the Great Salt Lake Desert of Utah indicate that the area is "a potential potash mine," according to *Newsweek* magazine, and serve to "allay fears of potash-fertilizer shortages for years to come." By a new process, 1,000 tons a day of crude potash are being extracted and shipped to a chemical plant at Wendover. The Utah plant is lubricated 100 per cent with Texaco products.

DO YOU KNOW

—that every day, America's oil transportation system moves 240,000,000 gallons of oil where and when it is wanted, and does the job so efficiently that a gallon of gasoline costs you less than a gallon of distilled water?

—that every hour of the day, day in and day out, the oil industry invests about \$11,400 in research for new and better products?

THE COVER

★**PETROLEUM**—found in so many of the things we use in our everyday lives—is an important ingredient of the ski wax which our "cover girl" is applying to her skis at Sun Valley, Idaho

THE TEXACO STAR

Winter, 1951

VOLUME XXXVIII

NUMBER I

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A PUBLICATION OF THE TEXAS COMPANY

For Stockholders and Employees

W. S. S. RODGERS, Chairman of the Board of Directors; HARRY T. KLEIN, President; J. S. LEACH, Executive Vice President; R. F. BAKER, G. R. BRYANT, M. HALPERN, B. E. HULL, L. H. LINDENMAN, A. C. LONG, R. L. SAUNDERS, TORREY H. WEBB, and J. T. WOOD, JR., Vice Presidents; OSCAR JOHN DORWIN, General Counsel; W. G. ELICKER, Secretary; ROBERT FISHER, Treasurer; ERNEST C. BREEDING, Comptroller, 135 East 42nd Street, New York 17, New York. . . . Published by the Public Relations Department, Philip C. Humphrey, Manager; Wilfred E. Talman, Editor, Company Publications Division; J. Lawrence Filson, Assistant Editor; Ellis Prudden, Joseph A. Callanan, Associate Editors.

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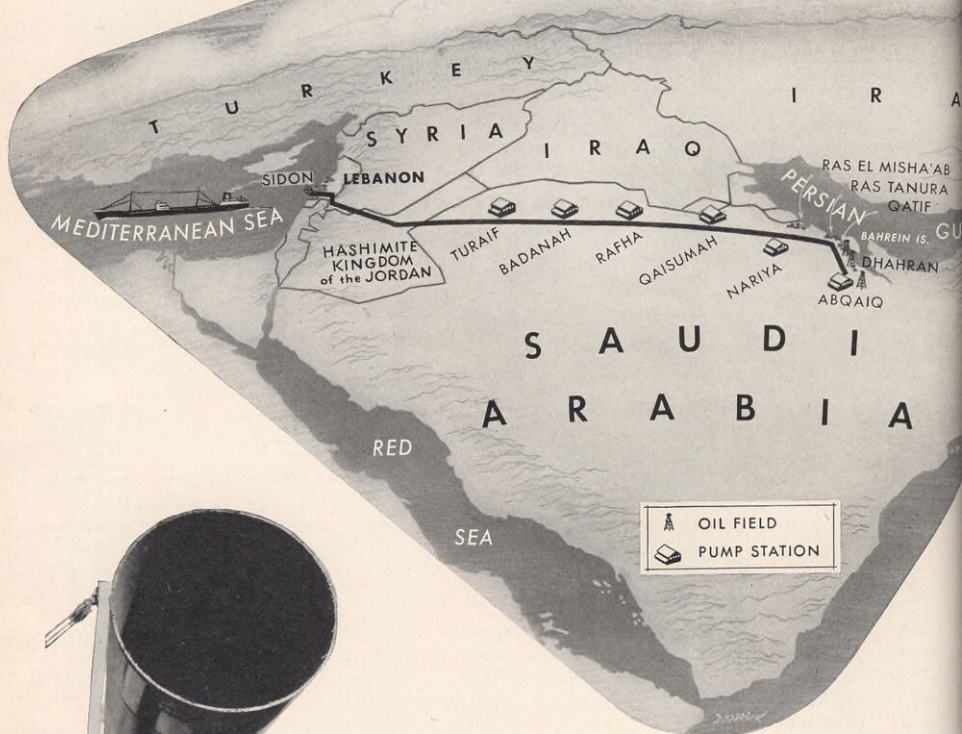
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Delicate tones of a Sunday morning Winter scene in Wisconsin were captured by photographer Harland Sutherland, who spent three days waiting for the right composition of light and shadow patterns

Setbacks often made it appear that the project would never be finished, but now the herculean engineering feat of building "Tapline"—the world's biggest oil pipe line—has been accomplished. Through it, crude oil is being delivered directly at Europe's doorstep

Tran



OPERATION "TAPLINE"—One of the last joints of the 1,068-mile "Tapline," looking like a giant cannon, is being coated and wrapped to protect it from the corrosive elements in the ground

Arabian Pipe Line

COMPLETED

By A. C. LONG

Vice President, Foreign Operations (Eastern Hemisphere)

A NEW milestone in the petroleum industry's eventful history was reached early in December when four tankers took aboard a total of more than 720,000 barrels of crude oil from Saudi Arabia at the Trans-Arabian Pipe Line Company's Sidon Terminal on the Mediterranean coast in Lebanon. These shipments of crude oil were the first of many that, in the months and years ahead, will go to refineries in Western Europe and elsewhere by way of the trans-Arabian line.

Trans-Arabian Pipe Line Company—or "Tapline," to use the universally-adopted abbreviation coined by the Arabs for easy pronunciation—is an affiliate of The Texas Company.

The huge pipe line actually was completed in September, when eastern and western segments were joined in Saudi Arabia near the Jordan border. It was built to eliminate the long, hazardous, and expensive tanker voyages from the Persian Gulf, around the Arabian Peninsula, through the Suez Canal, and into the Mediterranean Sea—a round-trip distance of 7,200 miles. The project was financed entirely with private capital and is regarded as the most ambitious single undertaking of the American petroleum industry.

Tapline is now delivering crude oil from one of the world's greatest oil regions—and delivering it both economically and speedily—directly at Europe's doorstep. The huge, steel artery is designed to carry an average of 300,000 barrels of oil daily. Most of this crude oil will be processed in European refineries.

In addition to Tapline's great prospective future importance to the economy of Western Europe, the line will also be of considerable strategic importance to the United States Army and Navy. Tapline will aid our armed forces in solving problems expected to be encountered in supplying military forces in Europe with petroleum in the event of future emergencies.

There is plenty to cheer about in the completion of the 1,063-mile pipe line, which cuts a path from the prolific oil fields of Saudi Arabia over the stony, desert wastes of the Great Nefud, through the Hashimite Kingdom of the Jordan, and over rugged ranges of Lebanese mountains in Southern Syria and Lebanon.

The herculean engineering feat of building the world's biggest oil pipe line—325,000 tons of steel were required for pipe, oil tanks, and other structures—was accomplished in the face of setbacks which often made it appear that the project would never be completed. Besides battling against the sun and sand, the small army of builders ran into unexpected engineering problems that were as unique as the project itself.

Supervisor of the mammoth, three-year construction job has been Burt E. Hull, Vice President of The Texas Company and Tapline's President.

Burt Hull, who has been called the "No. 1 pipeliner in the oil world" and is Texaco's oldest employe in point of service, built the famed "Big Inch" and "Little Inch" lines from Texas to the East Coast during World War II. Former President of The Texas Pipe Line Company (a

Trans-Arabian Pipe Line *continued*

wholly-owned subsidiary of The Texas Company), Mr. Hull brought the benefit of his wide pipe line experience to the trans-Arabian project. He was given able assistance by Maj. A. N. ("Al") Horne, another Texaco employee, who also assisted in building the war emergency pipe lines.

Though Tapline is shorter than the "Inch" lines, it exceeds both in diameter. "Big Inch" was a 24-inch crude oil line, 1,350 miles long. "Little Inch," a 1,550-mile-long products carrier, measured 20 inches in diameter. Pipe diameters of the new Middle East giant are 30 and 31 inches. The one-inch leeway in Tapline diameters was devised to permit telescoping of the pipe before loading it aboard freighters at Long Beach, California, the United States shipping point. This saved space and cut down shipping costs.

The possibility of a pipe line from the Persian Gulf area to the Mediterranean received first consideration before World War II, as soon as it became apparent that oil production in Saudi Arabia would be considerable, and that its distribution would present a big transportation problem. Late in 1943, when the United States Navy declared a Mediterranean oil supply would be of vital importance to the Allies, the United States Government proposed a trans-Arabian line as a war measure. However, conditions which arose did not make it feasible for the Government to pursue its plans.

At war's end, The Texas Company and Standard Oil Company of California, then joint owners of Arabian American Oil Company, carefully considered the advisability of a trans-Arabian pipe line.

They estimated that it would take between 60 and 80 tankers to transport the pipe line's projected capacity



SIDON—Huge oil tank ships will now be familiar sights at famous Mediterranean port of ancient Phoenicians.

around the Arabian Peninsula to Port Said. To construct these tankers would require more steel than a pipe line.

On the strength of these and other findings, the two companies decided to undertake the project and organized the Trans-Arabian Pipe Line Company as a joint venture in 1945. In 1947, when Standard Oil Company (New Jersey) and Socony-Vacuum Oil Company, Incorporated, purchased a 30 per cent and a 10 per cent interest, respectively, in Aramco, these two companies also acquired similar interests in Tapline. Today, the division of shareholdings in both Aramco and Tapline is: The Texas Company, 30 per cent; Standard Oil Company of California, 30 per cent; Standard Oil Company (New Jersey), 30 per cent, and Socony-Vacuum Oil Company, Incorporated, 10 per cent.

By late 1947, when most of the transit rights had been obtained, the first shipments of pipe got under way. In April, 1948, the project began to progress steadily from both ends of the line. The Williams Brothers Overseas Company, which had the contract for the western construction, started eastward from Sidon, the famous port of the ancient Phoenicians. In the Persian Gulf area, International Bechtel, Inc., connected the Abqaiq field with Aramco's refinery at Ras Tanura before proceeding westward from Qaisumah, now Tapline's actual starting point.

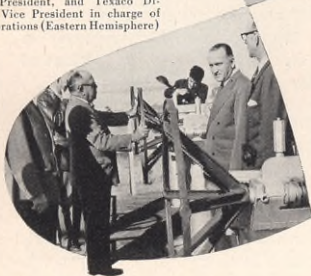
Tapline's path traverses much of the land which figured prominently in the world's early history. About 40 per cent of the 1,063-mile line is laid above ground, with the rest completely buried. Covered portions were given special protection by a heavy coat of asphalt, a spiral wrap of glass fabric, a second coat of asphalt, and an exterior wrap of asbestos fabric. In addition, the bottom of the ditch in rocky sections was padded with fabric to prevent abrasions of the coating.

OPENING DAY

(Left to right) F. A. Davies, Executive Vice President, Arabian American Oil Company and Vice President, Trans-Arabian Pipe Line Company; S. M. Williams, Jr., President, Williams Brothers Overseas Company; T. E. Buchanan, General Manager of Texaco's Marine Department; W. S. S. Rodgers, Tapline's Chairman and Chairman of The Texas Company's Board of Directors; A. C. Long, Tapline Director and Vice President, and Texaco Director and Vice President in charge of Foreign Operations (Eastern Hemisphere)



B. E. Hull (left), Tapline President and Texaco Vice President, opens valve to start loading of first tanker at Sidon Terminal. A. N. Horne, Tapline Vice President, is at extreme right





END OF THE LINE—Tapline's Sidon Terminal tank farm, overlooking the Mediterranean Sea, stores crude oil after journey from Saudi Arabian oil fields. Tankers come offshore and are loaded by gravity from these tanks. Shown above are the first four tankers that were loaded

If you're one of those people who at one time or another has searched valiantly—and unsuccessfully—for striped paint, left-handed monkey wrenches, paper stretchers, and prune wrinklers, you will be pleased to know that there *is* such a thing as a "skyhook." As a matter of fact, if the skyhook hadn't been developed Tapline might still be far from completion.

Ras el Misha'ab was established as Tapline's receiving base for pipe, equipment, and supplies because of congestion at Ras Tanura, Aramco's port, and also because Ras el Misha'ab provided a shorter land haul for moving supplies to the interior pipe line route from the Persian Gulf. Shallow water, however, prevents ocean vessels from approaching nearer than three miles to the shore at Ras el Misha'ab; therefore, lighters, a long and costly wharf, or some special type of hauling equipment had to be devised for off-loading pipe and other cargo. That's why the skyhook was tried and proved to be a satisfactory solution to the problem.

Tapline's skyhook is a new adaptation of a device used by the American logging industry. It is an aerial cableway extending three miles from deep anchorage to a short distance inland. Supported by 24 wooden A-frames, 75 feet high (the footings for all but five of which are sunk—700 feet apart—in the bed of the Persian Gulf), the cable skyroad simultaneously conveys two 10-ton mobile carriers, each propelled by an ordinary gasoline engine. It was the carriers' job, during the construction of Tapline, to transport the 30- and 31-inch pipe from a man-made, sea-island type wharf in the Persian Gulf to the shore material handling yard.

Each of the skyhook carriers transported a nine-ton load consisting of three 30-inch pipe lengths nested inside three 31-inch pipe lengths for the customary six-minute trip to the shore pipe yard.

In step with the advance of the pipe line has been the construction of a road alongside the Tapline right-of-way which is already getting considerable use from the native population. The Arabs have benefited in many other ways. At the peak of the construction activity, for example, 14,000 Arabs worked on the project with 2,000 Americans. The Arabs' eagerness and ability to learn skills quickly, as well as their willingness to adjust themselves to changing conditions, have been remarkable.

Because of the gradually ascending elevation of the Arabian desert plain as one goes west from Abqaiq (reaching about 3,000 feet near the line's 900-mile mark), the average distance between pumping stations is about 180 miles, with an abrupt descent in the section from the 900-mile point to the Sidon Terminal's giant tank farm at an elevation of 350 feet. Oil will flow by gravity from the tanks at Sidon to tankers lying offshore.

One of Tapline's biggest problems has been to provide for the health and comfort of its employees at isolated pump stations in the middle of the vast desert. Each has been built as an independent, self-sustaining community with water, housing, recreational, and health facilities. In addition to housing for Americans, quarters have been provided for several Arab families and 100 or more Arab bachelors.

The national economy of each country which the trans-Arabian pipe line crosses has been, and will continue to be, favorably affected.

Full operation of Tapline will release, for service on other routes, about 65 tankers now in the Persian Gulf-European trade.

The Texas Company and associated firms responsible for the monumental task of building Tapline against almost insurmountable barriers can take pride in their great accomplishment. ★★★




SKYHOOK—It transported pipe from a man-made isle three miles out in the Persian Gulf to shore storage yards, eliminated lightering

PUMP STATION—

This station at Badana is one of six that will help pour 300,000 barrels of Saudi Arabian crude oil daily into the terminal at Sidon





HOLLAND—Pernis refinery country's industrial com

MEN AT WORK (above) at 20,000-barrel-a-day Caltex refinery in Pernis, Holland

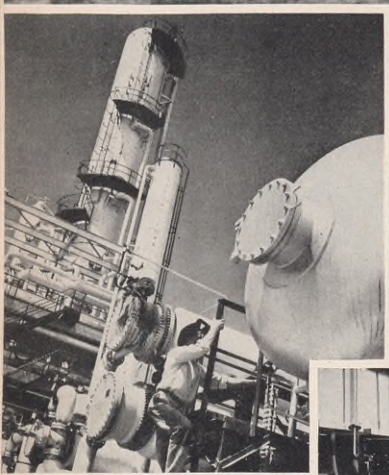
Caltex' Helping Hand in Europe

IMPETUS to the economic recovery of Western Europe has been given by the California Texas Oil Company, Limited, an affiliate of The Texas Company, through completed refinery projects in France and the Netherlands, a refinery nearing completion in Spain, and a refinery and pipe line under way in Italy.


These projects are part of the postwar construction and expansion efforts of the Bahrein-Caltex group of companies (50 per cent owned by The Texas Company) designed to help revive industry in war-torn Europe.

In France, the rebuilt Caltex refinery located on a finger of land near Bec d'Ambes, at the point where the Garonne and Dordogne Rivers flow into the Gironde River 15 miles north of Bordeaux, is currently processing 15,000 barrels of crude oil daily. This production achievement climaxes two years of reconstruction. From a mass of war-destroyed tanks and twisted pipes has risen a new, modern refinery—the largest in Southwest France.

The 136-acre plant is owned by Societe des Raffineries de Petrole de la Gironde, a French company in which Caltex has an 85 per cent interest. Originally built in



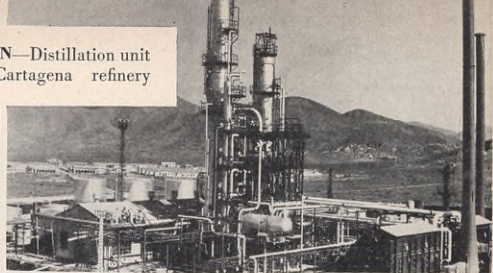
FRANCE—At rebuilt refinery near Bordeaux, workman checks topping unit heat exchangers; chemist (right) gives products rigid laboratory test



INLAND waterways barge takes on load of petroleum products at refinery dock



SPAIN—Distillation unit at Cartagena refinery



1932 with a daily capacity of 6,500 barrels, it was first bombed by the Germans in 1940. In 1944, Allied strategic bombing wreaked such havoc that large "storage tanks were turned upside down like teacups," and only the power plant remained reasonably intact.

The reconstructed refinery will process Arabian crude into gasoline, kerosine, and Diesel gas oil, as well as light and heavy residual oils for fuels.

Unique about the Gironde refinery reconstruction, in these days of ECA millions, is the fact that the plant was rebuilt without any Marshall Plan assistance. About 60 per cent of the necessary materials were obtained in France itself. At the peak of building, some 1,200 men were employed. Started early in 1943, the project reached completion and operations were commenced early in 1950.

Expansion of pier facilities has given the new refinery some rare advantages. Tankers can now move upriver from the sea 50 miles away and discharge crude oil at the plant site. Facilities have also been provided for loading coastal vessels and inland barges with finished products. In addition, loading ramps can accommodate 50 tank cars and 40 tank trucks.

In Spain, the new refinery of the Caltex affiliate in Cartagena has been a symbol of expansion from the very start. The plant is owned by Refineria de Petroleos de Escombreras, S. A. (REPESA), in which Caltex has a 24 per cent interest.

On January 15, 1950, it was put into operation charg-

ing 5,000 barrels a day of Arabian crude and producing motor gasoline, kerosine, Diesel gas oil, and fuel oil for consumption in Spain. A short time later, it was decided to expand the refinery's capacity to 20,000 barrels a day.

The Spanish plant is located at the outskirts of Cartagena in what was formerly a barren valley. It is the only refinery on the Spanish mainland. Caltex' investment in REPESA is entirely its own, and no United States Government funds are involved.

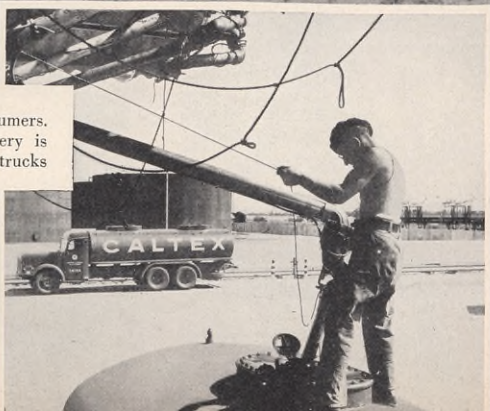
Another new refinery in the Caltex program to assume postwar operation in Europe without Marshall Plan funds (see THE TEXACO STAR, Summer, 1950) was the Caltex refinery completed and opened at Pernis, the Netherlands, last May.

The Dutch installation has a 20,000 barrel daily capacity and serves Holland, Belgium, Luxembourg, Switzerland, and Western Germany. Future plans are for the processing of 24,000 to 25,000 barrels a day of crude oil at this plant.

In Italy, Caltex has a 50 per cent interest in Societa per Azioni Raffineria Padana Olii Minerale (SARPOM), which will erect and operate a 10,000-barrel-a-day refinery near Milan and a 96-mile, eight-inch pipe line connecting the refinery with a terminal on the Mediterranean. The remaining 50 per cent interest in SARPOM is held by FIAT, one of Italy's largest industrial organizations. ★★★

The background picture on these pages shows wreckage at the Caltex refinery near Bordeaux after it was bombed during war

PETROLEUM for French consumers. Loading ramp at Gironde refinery is large enough to accommodate 40 trucks





SPINDLETOP

...where oil
became an
industry

SPINDLETOP field, where the modern petroleum business was born, reached its 50th birthday on January 10. Industrial and civic leaders of Texas held a special commemorative program at the Lucas Gusher Monument (see left), which marks the spot where the fabulous Lucas gusher rumbled skyward a half-century ago.

The story of Spindletop is a fascinating adventure that captured the imagination of all America in 1901 and opened the Southwest as an oil-producing region. Although it came 42 years after Col. Drake struck oil in Pennsylvania in 1859, the Lucas gusher was the world's first great oil well. It was one of the biggest the United States has ever seen.

The nation was electrified by news of the runaway gusher which blew oil more than 200 feet into the sky and in nine days produced an estimated 800,000 barrels before it could be controlled.

There is a story, too, in how Spindletop got its name. According to Carl Coke Rister, oil historian, the term "Spindletop" was first

GRANITE SHAFT of Lucas Gusher Monument, 58 feet high, honors world's first great oil well and the Spindletop pioneers. Since 1901, petroleum has done much to revolutionize industry and transportation

FOREST of oil derricks so spread-eagled Spindletop in 1902 that one could cross entire field on derrick floors without touching the earth





FABULOUS Lucas gusher marked new epoch in American industry. It was responsible for organization of The Texas Company and many other oil companies

used by Beaumonters when referring to an inverted cone-shaped tree standing on a bluff near the present turning basin of the Neches River.

Another version contends that a civil engineer coined the name in 1900, during a survey to establish town lots in the area. While seeking an appropriate title for a blueprint he was making of the property, he recalled that the winds had made the plumb bob beneath his transit spin like a top. So he decided on "Spindletop Heights."

Much of the credit for the striking of oil at Spindletop goes to a Beaumont brickyard operator named Pattillo Higgins. A self-taught geologist, Higgins had long insisted that surface seepages indicated an abundance of oil underground. When he and his associates failed to get results from two test wells, Capt. Anthony F. Lucas, an Austrian-born mining engineer who had been operating a salt-mining project in Louisiana and whose studies of salt-dome phenomena convinced him that the domes were natural oil



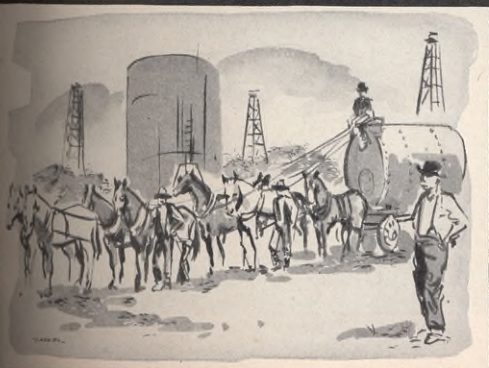
BEAUMONT, Texas, became a hectic place when 50,000 people came in search of "black gold" at Spindletop, four miles out of town

reservoirs, came into the picture. It was his well that blew in as an enormous gusher on January 10, 1901.

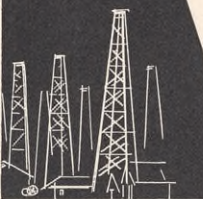
Spindletop, which launched a boom rivaling the California Gold Rush, has been called the place "where oil became an industry."

Spindletop inspired Texaco's founding fathers to seek oil in the nearby Sour Lake, Texas, region where, in 1902, The Texas Company brought in the well that put it in the producing business.

Spindletop started oil on its way to becoming a great benefactor of mankind. ★★★



HORSEPOWER, genuine variety, hauled the equipment needed at Spindletop in the early days of field



Toward a Better Life

Since our great-grandfathers' day,
petroleum has had a lot to do with
the way we live in this country



LIKE his Texaco-employed dad, this lad may some day earn his living by working in the petroleum industry

FOR the past 92 years, oil has had a lot to do with the way Americans live.

Back in 1859, when the first commercially successful oil well was drilled in Pennsylvania, candles and whale-oil lamps lighted most homes. There were few luxuries by present-day standards. There were no labor-saving devices such as now abound.

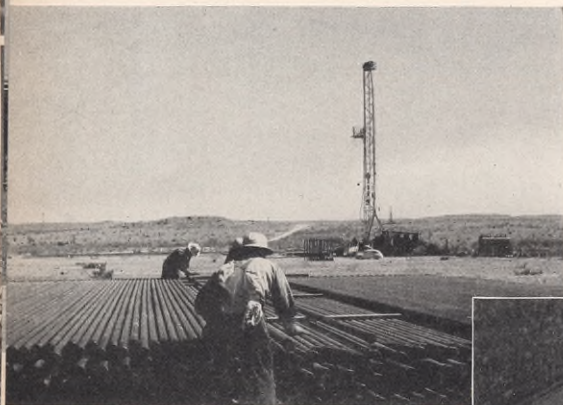
Transportation on land depended mainly on animals—although the “iron horse” was helping to extend our frontiers. The winds powered most ships. Man had not yet succeeded in making a flying machine.

Oil did much to change the picture.

The development of petroleum fuels and lubricants—which made possible new and better machinery—broadened the scope of the country's industrial revolution. Thousands of inventions brought about technological improvements that helped make life in the United States easier, safer, and more rewarding.

The transition from horses to horsepower “under the hood”—a transition which made gasoline the most important single product manufactured by the oil industry—opened up new vistas for Americans. Automobiles and paved highways (many of which were surfaced with asphalt made from petroleum) helped bring folks nearer to each other, whetted their appetite for travel.

In the years since 1859, the oil industry has made sig-



CONSTANT search for new reserves of petroleum (depicted in drilling scene above) is vital factor in nation's auto transportation (right)



nificant contributions to the nation's well-being in peace and to national defense in time of war.

Today, about 2,000,000 people work for oil companies. Millions more are employed by industries that are directly related to the oil industry. In all, approximately 24 per cent of the population of the United States is dependent, directly or indirectly, upon petroleum for a living.

Annually, the petroleum industry supplies the nation with more than 2,000,000,000 barrels of petroleum products—products which we in America now consume at the incredible rate of more than 3,000 gallons a second.

Petroleum furnishes nearly half the heat and power we use in this country. Millions of homes—as well as hospitals, schools, churches, factories, and office buildings—depend on oil for heating purposes. And without

this country, but also produce much-needed agricultural commodities for export to other nations.

The impact of petroleum on our lives today may be seen in almost everything we do—from flying to fishing from an outboard-motor-powered boat. Because the industry's 34,000 individual companies operate on an intensely competitive scale, users of petroleum get far better products and services than they could obtain under any other system. As it has in the past, the petroleum industry will in the future continue to “deliver the goods” when, where, and in the quantity needed.

It has taken immense “know-how” to locate large quantities of petroleum and put this natural resource to wide practical uses in the most economical manner. The ingenuity and daring of American oil men has been rewarded by business success that has made it possible for

THIS state university, built with money from oil leases, is an example of petroleum's impact on the country's cultural development



petroleum fuels and lubricants, we could not be a “nation on wheels.”

The petroleum industry currently supplies consumers with more than 2,600 different products. Ranging all the way from insecticides to asphalt shingles, these products are of tremendous help in achieving high standards of health, comfort, and convenience in our lives.

In addition, the many things now in everyday use that are made with synthetic materials containing petroleum-derived ingredients—such as synthetic rubber goods, detergents, and articles made of plastics—are further boons that all of us share.

Petroleum has helped increase the productivity of our land. With the aid of oil-fueled-and-lubricated machinery, American farmers are not only able to supply food and clothing for a population of 150,000,000 in

oil firms, such as The Texas Company, to reinvest a substantial portion of earnings into expansion and rehabilitation projects that enable the oil industry better to serve the public.

The oil industry's forward march in the field of research in the past is a favorable indication of what can be expected of the industry in the years ahead. Financed with private capital—representing an industry-wide effort—oil research and development may be counted on to help bring the benefits of progress to future generations.

From 1859 to 1951, oil men have courageously faced the risks that are inherent in the oil business. By constantly seeking new frontiers of opportunity, they have built up an industry that has done much to achieve a better life for all of us.

★★★



Texaco's Three Responsibilities

COMPANIES today—the same as nations—cannot live within themselves. Isolationism is as outmoded in the business scene as it is in the international picture. Modern, progressive companies—whether their operations are extensive or limited—have various kinds of responsibilities that relate them to the community at large. Conscientious regard for these responsibilities is essential if this nation's way of life is to endure.

The many responsibilities of The Texas Company, for example, fall into three basic categories: to stockholders, to employees, and to the public. The same as hundreds of other concerns that do business on a nationwide scale, The Texas Company does not take its responsibilities lightly.

To the more than 106,000 Texaco stockholders, The Texas Company does not take lightly the responsibility of conducting the affairs of the Company in a profitable manner, so that it will be possible to pay shareholders a regular return on the capital they have invested in the Company. (The Texas Company has paid 193 consecutive dividends, to date, since the first dividend was declared in 1903.)

To the more than 33,000 Texaco employees, The Texas Company does not take lightly this fundamental policy formulated by the founders of the Company: "We will build up and always maintain a loyal and efficient corps of employees who will feel a direct personal concern in the development, growth, and success of the Company." (The fact that 46 per cent of Texaco's employees have a service record of 10 years or more is one indication that this policy has been successfully carried out over the years.)

To the public, The Texas Company does not take lightly this policy which has been one of the guiding principles since the Company's beginning: "We will manufacture nothing except the highest quality products and will zealously guard the reputation of the products bearing our trade mark." (Research and development work, aimed at producing new and ever-better products, is a ceaseless undertaking of The Texas Company.)

Good citizenship requires a sense of responsibility. The Texas Company endeavors to be a good citizen by basing its operations on a sense of responsibility. ★★



THE PUBLIC

... Texaco strives to supply consumers with highest quality products. Money Texaco spends flows through economic blood stream of nation



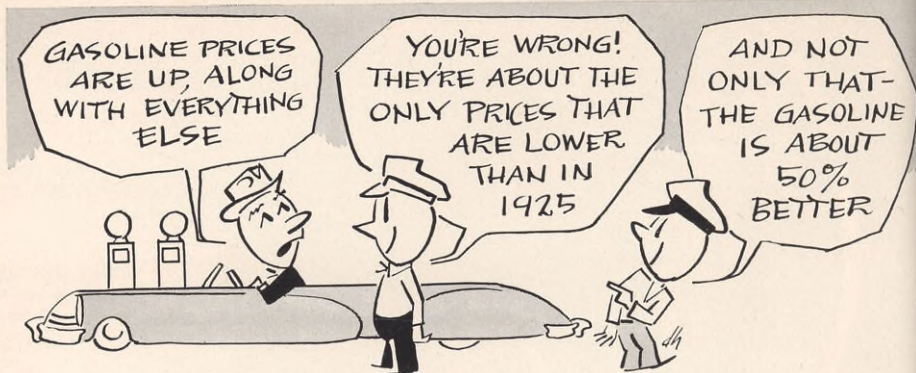
STOCKHOLDERS

... they rely upon the ability of management to produce profits. No individual stockholder owns as much as one per cent of Texaco stock



EMPLOYES

... they are located in every state of the nation. Behind the job provided for each Texaco employee, there's an investment of \$36,000



How Do Gasoline Prices Do It!

—by don harold

I'm glad I didn't try to hedge against general inflation by buying a billion dollars' worth of gasoline in 1925.

It sells for less these days than it did in 1925.

I could have made money by buying up almost any other commodity in 1925 and salting it away and selling it at today's prices—from collar buttons to canned tomatoes. But not gasoline.

Leaving off taxes, the average price of a gallon of so-called "regular" gasoline in 1925 was 21.93 cents. On July 1, 1950, it was 20.17 cents.

In this same span of time, general living costs went up 37.5 per cent, food up 53 per cent, apparel up 51 per cent, house furnishings up 53 per cent.

Apparently, the oil business is a whole lot more competitive than some people think, or gasoline would be 30 or 40 cents a gallon (exclusive of taxes) today—if it had followed the general skyrocketing trend.

While nearly all commodity prices have zoomed heavenward, gasoline prices have stayed low because of technological improvements in production, lower unit costs made possible through increased volume, and efficiencies put into effect at every stage of handling oil.

This story is even better, too, than the naked arithmetic reveals.

Gasoline of today has more git-up-and-go in it than gasoline of 1925. On the basis of car performance, two gallons of present-day gasoline do the work of three gallons of 1925 gasoline. In other words, your gasoline dollar today is worth 50 per cent more than it was in 1925.

Spurred by the rival forces of free competition, the thousands of companies that make up the oil industry have constantly improved their gasolines. Increasing

the quality of its products is a competitive habit of the oil industry. Thousands of companies spending millions of dollars on research and thousands of millions of dollars on new equipment in the competitive effort to win business has produced the usual by-product of American industry: better products for Mr. and Mrs. Public.

Now, you may think everybody knows all this. But public opinion surveys show that the motoring public at large thinks that gasoline is a whole lot more expensive than it used to be.

Part of the public's confusion is due to the fact that gasoline has been loaded harder and harder with taxes.

Today, Federal and state taxes on gasoline average 6.70 cents a gallon—nearly a third of the average retail price of "regular" gasoline, ex-tax. The oil industry isn't to blame for this—in fact, doesn't love it at all.

The oil companies act as tax collectors for Federal, state, and local governments. In 1949, the oil companies collected nearly \$2,000,000,000 in gasoline taxes for Uncle Sam and for the states.

Furthermore, although gasoline prices have remained reasonable, the oil industry has had to meet greatly increased wage and material costs all along the line.

So, I think anybody who is in any way connected with the oil business has reason to crow. A stockholder or an employee of an oil company should have fun—should make a regular habit of—telling what his industry has done about this matter of retail prices.

The public in general is misinformed on this matter of gasoline prices. I, for one, enjoy helping to set 'em straight.

★★★

Scarlet Queen, largest tuna clipper in the San Diego fleet, is 167 feet long, has a cruising radius of 11,000 miles, holds 550 tons of fish. It carries 109,000 gallons of Texaco Diesel Chief and 1,500 gallons of Texaco Ursa Oil. Owner is Arne Strom, president of Harbor Boat and Yacht Company, a large Texaco marine outlet at San Diego, California



One of the toughest ways to make a living
is to fish for tuna. Petroleum
aids those who seek the . . .

... gold mine in the sea



LOOK OUT! Giant "three-pole" tuna is hauled aboard San Diego clipper. "Three-pole" means that three lines, all attached to the same hook, are needed to pull the big fish from the sea

By W. WADE AMBROSE

President, Westgate-Sun Harbor Company

THE sea boiled with tuna.

Big fellows, they were, and hungry. So hungry they'd snap at anything. So hungry they changed a routine trip for lobsters into a hectic, back-breaking

session of heaving tuna into the small boat, recasting, and hauling again.

It was 1911, and the 60-foot *Peerless*, skippered by Henry Madruga, was some 230 miles south of San Diego, California, off the coast of Baja California, Mexico. Those aboard had been trawling for anything that would bite, but they had not expected this school of snapping yellowfin.

The *Peerless* was loaded with three tons of fish in what seemed, to the suddenly overbusy fishermen, a matter of minutes. The catch was salted down, as was the practice in those days, and Madruga turned north.

(Please turn to the following page)

W. WADE AMBROSE is president of one of the world's largest tuna canneries at San Diego, California. His father, Wiley Ambrose, was a pioneer in the tuna industry.

.. gold mine in the sea continued



FLEET of albacore boats tied up along San Diego Embarcadero. Once spurned as food, albacore tuna now bring premium price at canneries

The boat's arrival created a sensation along San Diego's waterfront. It was the first "big catch" of tuna to make the port, although the city had a thriving colony of fishermen, and salted fish had been shipped from San Diego to San Francisco as early as the middle years of the Nineteenth Century.

The catch, too, marked the beginning of California's tuna industry as a major factor in the state's economy. Since that time the tuna industry has grown into two great concentrations of canneries, centered at San Diego and the San Pedro area of Los Angeles. In 1949, a total of 6,474,780 cases of tuna were packed—more than in any preceding year. Of these, nearly 4,000,000 were processed in San Diego.

The tuna industry started almost by accident, back in



ACTION-PACKED scene above shows five tuna headed deckward at once. The fishermen stand in racks extending from side of the clipper

1903, when A. P. Halfhill, a burly, former Minnesota wholesale grocer with a cow-catcher mustache, faced disaster. A shutdown threatened his little sardine plant at East San Pedro because sardine had disappeared from their usual haunts. This is a periodic habit with these fish, and so far no one has found out why.

Halfhill, looking for a product that would keep his factory busy, experimented with rock cod, halibut, and albacore tuna. It was the last of these that turned out to be the "sleeper" of the three. He discovered that live steam changed the albacore meat so that it resembled chicken, and started packing this chicken-like tuna. Later, yellowfin, bluefin, and other varieties of tuna were experimented with and found to be adaptable for canning.

In the early days, small boats went out on daily trips. Today, thousands of fishermen man the hundreds of boats that range up to 167 feet in length and can stay at sea for three or four months.

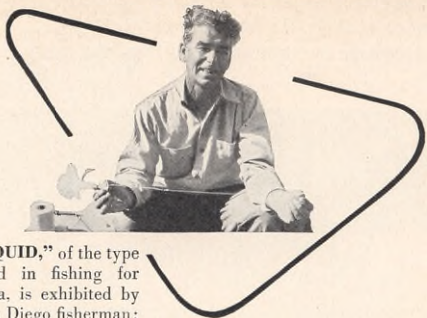


TEXACO marine outlet at San Diego is the Harbor Boat and Yacht Company (above). Purse seiner is at left; on the ways is a tuna clipper capable of carrying 350 tons of fish





SKILL, experience, and strength are prime requisites in business of tuna fishing on banks off Central America. Trips may last for months



"SQUID," of the type used in fishing for tuna, is exhibited by San Diego fisherman; it consists of a feathered jig and leader

Tuna fishermen are paid on a share basis. After operating expenses are deducted, about 50 per cent of the value of the catch is divided up among the crew. Captains and engineers receive additional shares for their services. The boat owner pays for repairs, general upkeep, insurance, and so forth. In recent years, ordinary fishermen have earned as high as \$7,000 or \$8,000 annually.

And they're well worth it, for commercial tuna fishing is one of the country's toughest ways to make a living. Away from home for months at a time, the fishermen must be in top physical condition during their voyages in order to stand the strain of hauling in the "big ones."

Spotter planes or helicopters, or lookouts in crow's nests high above the main deck, are used to locate the schools of tuna. Once a school is sighted the vessel heads for it, tossing out great scoops of bait—live anchovies and sardines carried in huge bait tanks.

Along with the bait, the fishermen throw out some "squids" (barbless, feathered hooks). The tuna mistake the squid for a mouthful of bait, bite it, and are jerked into the boat. Some of these tuna are so big that four lines, all attached to the same squid, are necessary to pull them aboard.

As each tuna is snapped off the hook and into the hold, the squid is tossed back into the sea. The process is repeated endlessly. There's a rhythm to the haul and toss, haul and toss. Those who man the multiple-pole squids are as graceful as ballet dancers as they move through the routine in unison.

Everyone aboard takes part when a school is located, for the object is to load the boat as rapidly as possible and get back to port. Smaller boats may get a load in one school, but the large clippers must find several schools in order to fill their cavernous holds.

Back in port, the tuna are defrosted, cleaned, cooked, and packed.

Around the tuna community in San Diego has grown a collection of related businesses—shipyards to build giant clippers that can hold up to 550 tons in their refrigerated holds; ship chandlery firms; marine yards to repair and refurbish the vessels; supply firms for every-

thing from gasoline and oil to beer and rented motion picture films that ease the monotony of long voyages.

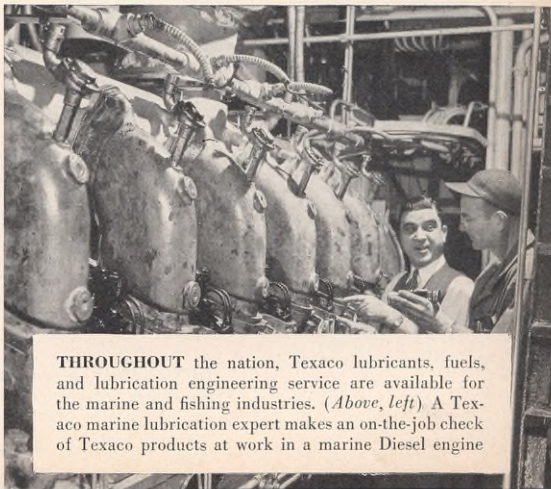
Petroleum suppliers are naturally greatly interested in the fleet of more than 200 tuna clippers. The average capacity of these boats exceeds 30,000 gallons of Diesel fuel, and each boat requires approximately 1,000 gallons of lubricating oil. The clippers are literally "floating refrigeration plants" and require considerable quantities of refrigerating oil as well as various greases.

The large fuel oil tanks on these ocean-going vessels are piped for refrigeration. As fuel is used up, the tanks are cleaned and used for freezing and storing the catch.

Each boat makes an average of five fishing trips a year. Harbor Boat and Yacht Company, a Texaco waterfront account at San Diego, supplies a considerable number of tuna clippers with Diesel Chief, Texaco Ursa Oils for Diesel engine lubrication, and Texaco Capella Oils for refrigerating systems.

Tuna has become one of America's favorite foods. Jam-packed with nutrition, it is an exceptionally versatile and economical food that can be used for everything from sandwiches and salads to hot, hearty main dishes.

With an estimated retail value of about \$75,000,000 annually, tuna truly is the "gold of the sea." ★★★



THROUGHOUT the nation, Texaco lubricants, fuels, and lubrication engineering service are available for the marine and fishing industries. (Above, left) A Texaco marine lubrication expert makes an on-the-job check of Texaco products at work in a marine Diesel engine

The raising of beef cattle by high school boys and girls is one of the most constructive projects in American rural life. The Texas Company is happy to encourage the ambitious young farmers of today



"Tex"—The Story of a Champion Calf

THINGS looked pretty black for young Dan Krenak when the Rodeo and Fat Stock Show opened. The tall Texas teen-ager had been chosen as an alternate for the exciting calf scramble, but with the scramble just one event away, it didn't look as if he had a chance of getting into the competition.

But suddenly the sun broke through the clouds. One of the officials came over to announce that Tommy Burns hadn't shown up—that Dan would get his chance to win a calf!

How the 17-year-old farm boy from Hungerford, Texas, wins a Hereford calf and finally raises him to be a champion is part of the thrilling story told in The Texas Company's newest full-color movie, "*Tex*"—*The Story of a Champion Calf*.

This human interest film is now being shown at Texaco farm meetings in all sections of the country. By the end of 1951, it is anticipated that more than 3,000 of these meetings will have been held by Texaco

distributors and consignees in farm areas. During the same period, an estimated 800,000 farmers and their families will view the new movie.

The raising of beef calves by farm boys and girls is one of the most popular and constructive projects in American rural life. It gives youngsters valuable practical experience they could gain in no other way, and also develops in them a sense of responsibility and self-discipline. In addition, it is an important help in paying for their college educations.

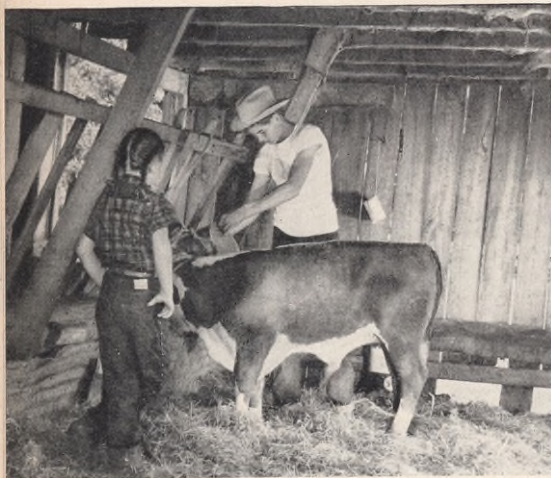
At the present time, there are 2,000,000 farm boys and girls engaged in the business of raising beef cattle—and practically every American farm has some cattle on it.

Through the activities of such organizations as the 4-H Clubs and Future Farmers of America, youngsters throughout the country are getting a thorough grounding in the fundamentals of competitive enterprise and in earning money for themselves.

There is no discounting the importance of raising a "champion steer" in competition with other young farmers. By "being in business" and vying with others their age, these young people are learning the basic lessons of our whole economic system.

That is why The Texas Company, through the medium of its newest full-color motion picture, is happy to encourage thousands of 4-H, FFA, and other farm group members in their calf-raising projects.

"*Tex*"—*The Story of a Champion Calf* was produced by the Sales Promotion Division of Texaco's Sales Department, with the full cooperation of the American Hereford Association and the American Meat Institute. Besides the Hereford breed, the film shows outstanding Shorthorn, Angus, and Brahman herds. For farmers and ranchers from coast to coast it also reveals the secrets of successful cattle raising, and at the same time demonstrates the Company's active interest in the



FEEDING "Tex" rations that will make him gain weight rapidly is one of Dan's most important jobs. Dan gives calf breakfast as sister looks on

YOUNG MAN with an eye to the future, Dan Krenak, set out to raise a winner to help earn money for his education





ENTRY Number 13 proves lucky for Dan Krenk and "Tex," here shown after winning Grand Champion ribbon at the County Fair. Dan originally won Hereford in calf scramble (see far left)

American scene beyond the producing, refining, and marketing of petroleum products.

When the question of the film's locale came up, it was decided that the state of Texas, home of many of the nation's finest beef cattle, would be a "natural." A movie crew was dispatched to Wharton County last Spring, and spent about a month photographing the area's biggest ranches, and shooting the film sequences.

A 30-minute, 16-millimeter sound film, "Tex" presents the gripping struggle of a teen-ager who tackles the task of being a successful cattle raiser and a good business man, and how, in the process, healthy competition ensures the best results.

The picture has an original musical score, and features cowboy and western songs as a background. Its world premiere, attended by outstanding citizens of the area, was held in Wharton, Texas, on September 20, and was further commemorated by a special 15-minute radio broadcast over the Texas Quality Network's six stations.

For young Dan Krenk, acting in the film and raising "Tex" carried a double-barreled thrill. He couldn't have been happier if he'd clouted a game-winning home run with the bases loaded. A member of a 4-H Club since 1944 and Future Farmers of America since 1946, Krenk was a freshman at Wharton County Junior College when the picture was made.

"Tex"—*The Story of a Champion Calf* is a film well worth seeing. Besides showing how cattle are bred and judged, its presentation of competitive enterprise has a special impact for all right-thinking Americans.

Texaco plans for the coming year call for the production of a sequel to "Tex." The new film will be called "Texanna"—*The Story of a Champion Dairy Cow*, and will be made in Wisconsin during July and August. Instead of a boy, its central human figure will be a teen-age girl.

★★★



TWINKLE in Dan's eye comes from knowledge that he has done his work well enough to make his calf—"Tex"—a champion

Free bookings of "Tex"—*The Story of a Champion Calf* may be arranged through Sales Department Division Offices of The Texaco Company located at New York, Boston, Buffalo, Norfolk, Chicago, Denver, Indianapolis, Minneapolis, Houston, Dallas, Atlanta, New Orleans, Los Angeles, Butte, and Seattle.

EDITOR'S NOTE—Newest evidence of youthful competence in the business of raising champion cattle comes from Kansas City, Missouri, where on October 16 a Hereford steer exhibited by a 16-year-old Texas boy walked away with Grand Championship honors in the Centennial American Royal Livestock Show. The young top exhibitor was Sim Reeves, Jr., of Fort Stockton, Texas, who has been a 4-H member for eight years.

DOCUMENTS covering ownership of "Tex" are handed to Dan by C. B. Barrett, Texaco's Southern Territory Sales Manager. Looking on is J. M. Gregory, Manager of the Sales Promotion Division





GOVERNOR Allan Shivers at his desk at the capitol, Austin, Texas. One of his treasured mementos is the state seal hanging on the wall. Fashioned of metal at Texaco's Port Arthur Terminal, it is a gift of the people of Port Arthur

Allan Shivers—Son of Texas

BETWEEN 1924 and 1929, while living at Port Arthur, Texas, Allan Shivers, the future chief executive of the Lone Star State, was able to serve an apprenticeship that he values highly. During Summer vacations from school, he was employed by The Texas Company as a Car Repairman's Helper in the Traffic Department, as a Clerk in the Equipment Division of the Railway Traffic and Sales Department, and as a Laborer in the Boiler House at Texaco's Port Arthur Works.

The money Governor Allan Shivers of Texas earned at Texaco, back in the Twenties, helped him go to college, and his apprenticeship in the petroleum industry gave him a better understanding of the working man's outlook, he said recently. The governor of the leading oil-producing state in the nation and one of the world's greatest oil domains also made the observation: "At the half-way mark of this century, it is possible to survey the progress of America in the last 50 years and to assay the advance which may be expected in the future. It is plain that our state's progress, and our nation's progress, go hand in hand with oil progress."

By background, birth, up-bringing, education, experience, and inclination, Allan Shivers is a dyed-in-the-wooly-west son of the Lone Star State, who belongs as much to Texas as the branding iron, Goliad, and the wiry mesquite.

Governor Shivers' forebears journeyed by covered wagon to Tyler County in piney-wooded East Texas and

acquired a farm 104 years ago. He still owns the old family homestead and maintains his Summer home, "Magnolia Hills," on the farm. He took the oath of governorship there, and makes it the "Summer capitol."

Allan Shivers spent his boyhood in Woodville. Later, the family moved to Port Arthur, where the governor-to-be was graduated from Thomas Jefferson High School.

An important pivotal point in his life came in 1929, when he decided to study law at the University of Texas. At the University, his forensic talent won him numerous undergraduate honors. He received the B.A. and LL.B. degrees from the University and was admitted to the bar in 1931.

Shortly after returning to Port Arthur to practice law with his father, the late Judge R. A. Shivers, ambitious young Shivers ran against a veteran office-holder and, at 26, was elected the youngest state senator the state had ever had up to that time.

In 1946 he was elected lieutenant governor and was re-elected in 1948. Upon the death of Governor Beauford Jester in July, 1949, he succeeded to the governorship and was elected in November, 1950, for a full two-year term.

Over six feet tall, affable, debonair, and possessed of a pleasant baritone drawl, Allan Shivers has been called "the Gregory Peck of governors." He has probably addressed more frontier fiestas than any of his predecessors, but he works overtime to carry out his political philosophy, which includes the development of business-like methods in government. ★★★



When it comes to vehicle maintenance, here's one old adage which The Texas Company lives up to—with enthusiasm

Practicing What We Preach

By the manner in which it keeps its own automotive equipment in A-1 condition, The Texas Company demonstrates that it believes in practicing what it preaches.

Texaco's recommendations to the American motoring public regarding a motor oil change and chassis lubrication every 1,000 miles are not mere suggestions for



CARD kept in truck cab keeps tank truck operator up-to-date on services the truck should be given

proper care of a motor vehicle. The Texas Company follows its own advice with a special plan for maintaining Texaco trucks and cars in top running condition at all times.

The plan is well coordinated.

Special pains are taken to insure that all Company vehicles are serviced at specific intervals. This servicing includes crankcase oil change, chassis lubrication, and transmission and differential drain and refill. In addition, tires, batteries, and cooling system are checked regularly, and mechanical adjustments and replacement of parts such as spark plugs and oil filters are made when necessary.



HUDDLE—Tank truck operator and motor inspector exchange notes on truck's needs

As a result, Texaco's highway "rolling stock" is kept in service with the fewest possible breakdowns. Company trucks and cars are maintained at the same peak of efficiency which the Company recommends to private individuals and to firms operating automotive equipment.

When a car owner goes to a Texaco service station for an oil drain-and-refill job, Marfak Chassis Lubrication, and other servicing, the Texaco dealer places on the car's door jamb a sticker which records the mileage reading at the time the servicing took place.

With operators of Texaco-owned vehicles, the procedure is only slightly different. Just as the individual car owner keeps up-to-date on servicing deadlines by looking at the door-jamb sticker, a Texaco tank truck operator, for instance, keeps close tab on the condition of his vehicle by referring to a card which is carried in the cab of the vehicle at all times. This card contains information of a similar nature. It is the driver's responsibility to check the truck mileage and to see that the truck is turned in for periodic servicing whenever necessary. In keeping with The Texas Company's high standards of efficient operation, other Company equipment, such as cars used by Texaco salesmen, gets the same careful attention.

Thus, by practicing what it preaches, Texaco sets a pattern which motorists can follow with confidence. ★★★

NECESSARY adjustment to flange joint of unloading hose is here discussed by operator and mechanic. Items such as this get speedy, efficient attention from Texaco



New Texaco Distribution Terminal Is Formally Opened in Cleveland

TEXACO's newest distribution terminal, situated on a 10-acre tract fronting on a bend of the Cuyahoga River in Cleveland, was formally opened by the Domestic Sales Department November 14 with ceremonies that were attended by some 250 civic leaders and Company officials.

The selection of Cleveland as the site for the new waterfront terminal was influenced by the city's strategic geographical location, as well as by the industrial and economic position of the Cleveland area among the possible localities which could have been chosen.

Gasoline capacity of the new terminal's huge, silver-painted storage tanks exceeds 17,000,000 gallons—enough fuel to supply 26,000 motorists for an entire year, if each drove 10,000 miles. Previously, Texaco terminal facilities at Cleveland occupied only two acres of property, and had storage capacity for less than 500,000 gallons of gasoline.

Gasoline is delivered to Cleveland Terminal by lake tanker from Texaco's products pipe line terminal at East Chicago, Indiana. Because lake shipping closes down during the Winter months, sufficient storage has been provided to accommodate withdrawals of gasoline during that period.

The new terminal has a three-acre, paved yard area for parking and loading gasoline tank trucks. Warehouse and offices are housed in a two-story building shaped like a piece of pie (see picture at right), which is 35,000 square feet in area. A 3,500-square-foot garage and repair shop insures continuous maintenance of delivery trucks.

Around the wire fence which surrounds the parking area are outlets for small electric heaters which keep idle tank truck engines warm during cold weather.

The terminal is equipped with the most modern fire-fighting equipment, and safety procedures have been

incorporated into all phases of its operations, including foam protection for each tank.

Lubricating oils will be handled in bulk as well as packages. Tankage and drum-loading facilities for these products are also part of the new terminal's equipment, and are designed to aid prompt and efficient distribution of Texaco products in the Cleveland area.

Texaco gasolines and motor oils were first marketed in Cleveland in 1924, when the Dan Pfahl and Wilcox Company became distributors. A direct agency of The Texas Company had, for some time, been servicing the industries of Cleveland with industrial products, and the marketing of industrial lubricants has continued to play a large part in Texaco's service to the community.

On July 1, 1927, The Texas Distributing Company was formed. This organization purchased the assets of the former distributor, and continued the marketing of Texaco products. A planned expansion of service to the people of Cleveland and surrounding area was begun. In order to give the motoring public the quality of service and products desired, additional, conveniently-located service stations were acquired and retail outlets were modernized to meet the changing demands of a growing market.

The Texas Company purchased the entire facilities of The Texas Distributing Company on May 1, 1946. All personnel of the latter firm were retained; in fact, most of these Cleveland people are still employed by The Texas Company. Construction of the recently-completed terminal was begun in 1949.

The addition of this new Cleveland terminal to its more than 2,000 other distribution centers is another example of The Texas Company's continuous program to improve the efficiency of its operations throughout the nation.

★★★



Major Unit Completed at Beacon Laboratories

A NEW major research building (left) is now in operation at The Texas Company's Beacon (New York) Laboratories, Texaco's principal research center.

The attractive structure, the latest to be completed in Texaco's research expansion program, gives Beacon Laboratories an appearance typical of a college campus.

The new laboratory increases the Beacon facilities by



CLEVELAND TERMINAL—It will enable Texaco to keep abreast of increasing demands in an expanding market

approximately 40 per cent and is part of Texaco's 10-year research expansion program aimed at enlarging or modernizing facilities at all of the Company's 23 research and quality-control laboratories.

Engineering, mechanical, and chemical laboratories, and the offices of supporting services, are housed in the new building.

The chemical section consists of 20 laboratories which will be devoted to the development of new lubricants, fuels, and chemicals. Each basic "lab" includes an office and is equipped with a fire blanket, a carbon dioxide fire extinguisher, and a safety shower.

Each of the "lab" sections has its own utility "service run," the lines coming up from the basement in shafts along each side of the corridor. The services include steam, hot and cold water, de-ionized water, gas, nitrogen, vacuum, compressed air, and electricity.

In the mechanical and engineering sections, studies of volatility, combustion, and lubrication will be made.

Addition of the new building at Beacon Laboratories to Texaco's research facilities is another significant step in the Company's persistent search for new and improved products.

★★★

THE TEXACO STAR REPORTER



R. Ogarrio

R. Ogarrio Retires; Had 34 Years' Service

THE retirement of R. Ogarrio, Vice President and Director of The Texas Company, has been announced by W. S. S. Rodgers, Chairman of the Board of Directors.

Mr. Ogarrio retired on December 31, after 34 years of Texaco service which began, in 1916, with the Company's operations in Mexico.

He became Manager of Texas Petroleum Company in January, 1925, and Assistant to Vice President and General Manager of The Texas Company's Producing Department in December, 1925. In December, 1928, he was elected Vice President in charge of Production for The Texas Company, and in 1931 was made a Director.

In June, 1949, Mr. Ogarrio was promoted to chairman of an executive committee considering crude oil production policy on a world-wide basis.

Mr. Ogarrio has established residence in Mexico and will continue in a consulting and advisory capacity primarily on The Texas Company's foreign activities.

Expansion of Basin System Is Announced

To handle the substantial production increase brought about by developments in Scurry and adjacent West Texas counties (see THE TEXACO STAR, Fall, 1950), plans have been approved for expanding the capacity of the Basin Pipe Line System. The Texas Pipe Line Company (a wholly-owned Texaco subsidiary) holds a substantial interest in the line and operates it.

Four intermediate booster stations will be installed along the line's route. Addi-

tional pumping units will be installed in present stations at Colorado City, Haskell, Wichita Falls, and Lindsay, and additional tankage will be provided at Colorado City and Wichita Falls.

The Basin System extends 515 miles from Jal, New Mexico, to Cushing, Oklahoma, where it joins the Ozark Pipe Line System to provide crude oil to Midwest refining centers.

The expansion program will increase the capacity of the Basin System from Colorado City into Wichita Falls from 250,000 to 350,000 barrels a day, and from Wichita Falls into Cushing from 270,000 to 385,000 barrels a day.

It is anticipated that the new facilities will be completed and placed in operation this Summer. When it reaches maximum operating capacity, the Basin System will transport a greater volume of oil through a single line than any other pipe line in the world.

Annual Texaco Reports Win National Honors

HONORS for all-around excellence have been bestowed on Texaco's two annual reports for 1949.

In the Tenth Annual Survey of Annual Reports conducted by *Financial World* magazine, a 1950 Citation was awarded to The Texas Company for the third best 1949 Annual Report of the Petroleum Industry.

Selected by an independent board of judges appointed by the publication, the Texaco report was among the more than 5,000 financial statements surveyed.

The Texas Company's other award came from the Associated Industries of Massachusetts, which gave Texaco's 1949 Annual Report to Employees top honors in the petroleum company group.

The Massachusetts competition is sponsored to encourage the preparation of annual financial reports to employees, as well as to stockholders, which present facts and figures in interesting and easily understood language.



R. C. Holmes

R. C. Holmes, Former Texaco President, Dies

RALPH C. HOLMES, 76, former President of The Texas Company, died at his winter residence in Orlando, Florida, on December 23. He had served as Texaco's President from 1926 to 1933.

Mr. Holmes was one of the original employees of The Texas Company when it was founded in 1902. His first job was with an oil company in Olean, New York, where he lived as a youth.

He joined the infant Texaco organization as Superintendent of Refining at Beaumont, Texas. He became Manager of Refining in 1907, and was elected a Vice President in 1913.

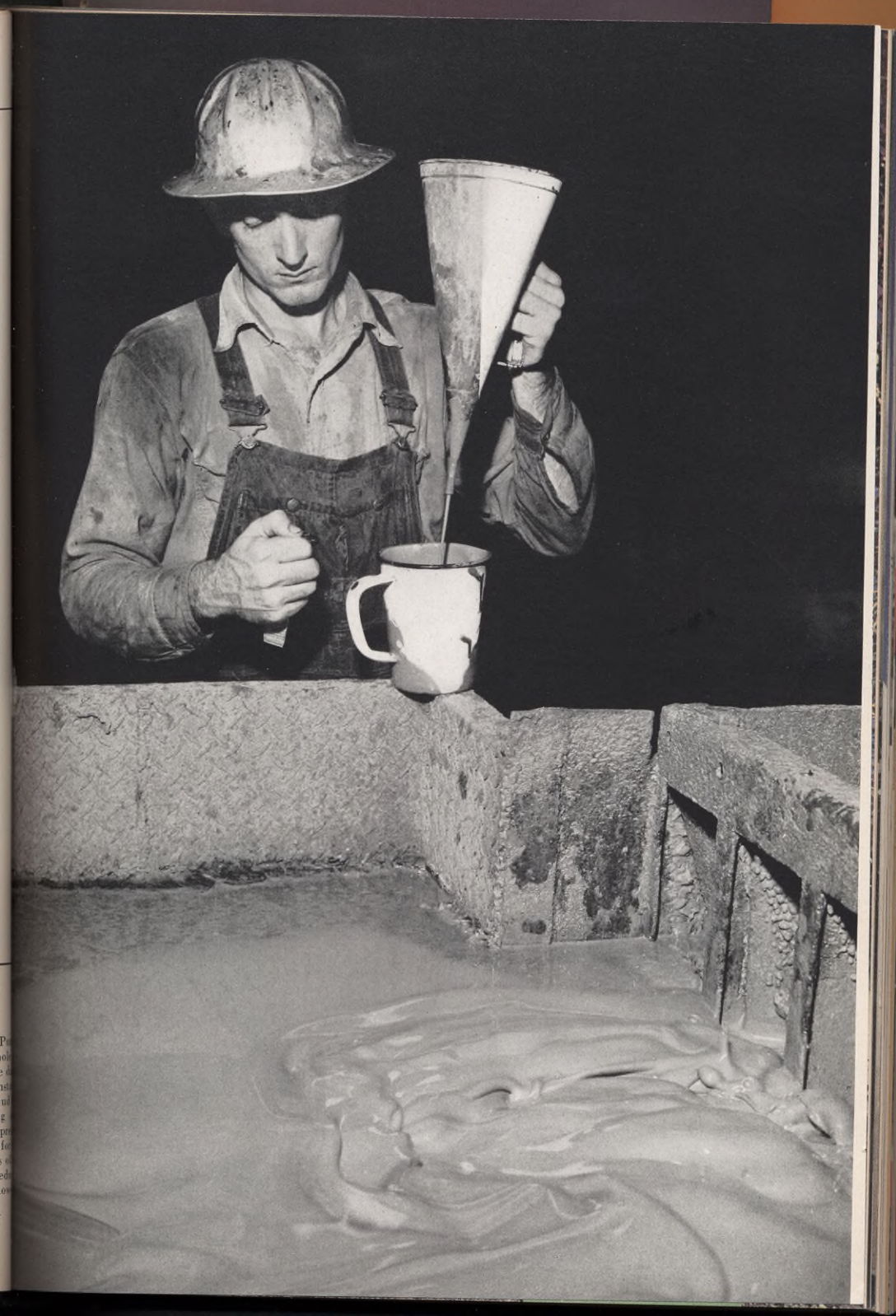
Several historic advances in the technique of refining petroleum are identified with Mr. Holmes. Especially notable is the Holmes-Manley process for cracking gasoline.

Mr. Holmes became President of the Company in March, 1926, and was elected Chairman of the Board of Directors in April, 1933. He resigned shortly thereafter.

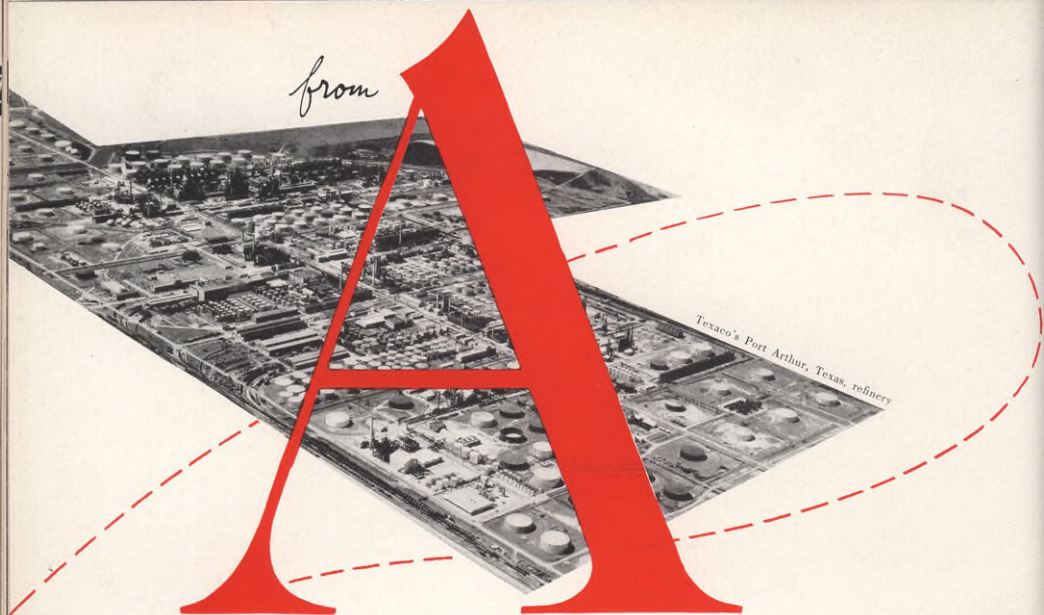
"Mud Bath" for an Oil Well

In the modern process of drilling a well, mud is a necessity. As mud goes, so goes the drilling. In the picture at the right, Rotary Rig Derrickman L. J. Seibel, Jr., of Texaco's South Texas Division, Domestic Producing Department, is testing drilling mud to make sure it meets requirements. Drilling mud serves many important purposes. Because of its viscosity, it is able to bring bit cuttings out of the hole. It also acts as a cooling, cleaning, and lubricat-

ing agent for the drilling bit. In under pressure, it plasters the hole with a hard caking that lessens the of the hole caving in. In most of the pressure and weight of the mud down inflow from water-bearing while drilling, and control higher oil and gas zones. This makes working conditions and conserves gas. Proper mud control helps reduce a minimum the chance of a "blow-



from



Texaco's Port Arthur, Texas, refinery

... the oil industry makes
more than 2,600 products
for a progressive America

to

From aromatic solvents to zinc-base thread lubricants, the oil industry today makes more than 2,600 products. It's anybody's guess what the number may be in the future. Already, petroleum researchers have tagged more than 3,000 different substances found in oil, each having characteristics that distinguish it from other compounds of the petroleum families. But the identification work is considered to have only just begun. In the years ahead, as in the past, there is sure to be a never-ending increase in the useful products that may be made from crude oil.



Eagle Point Works,
Texaco's East Coast refinery

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