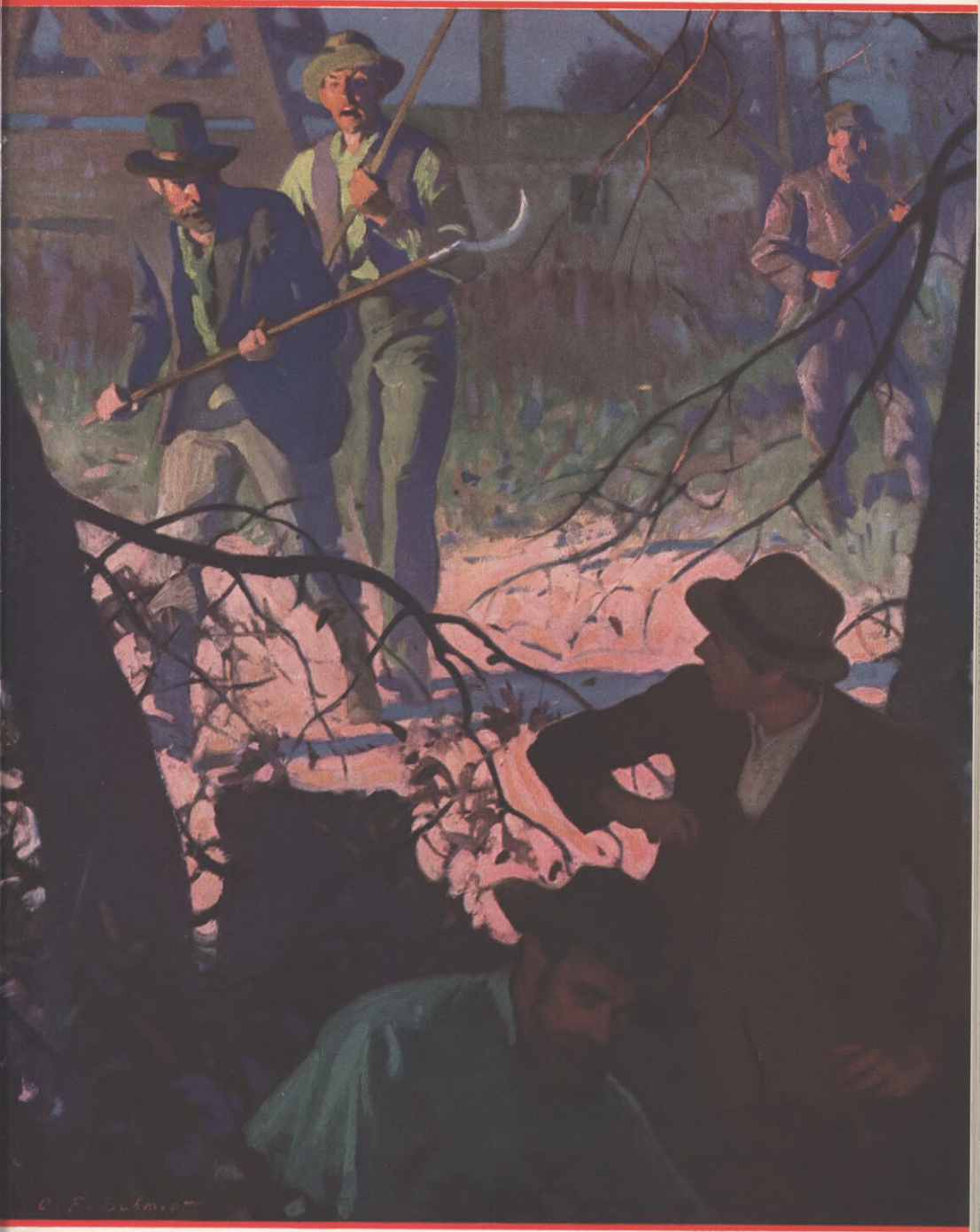
The TEXACO STAR



JULY - AUGUST 1932

They Minded Other People's Business

WATCH-fires blazed forbiddingly near a "mystery well" in Cherry Grove, Pennsylvania, one night in the late '60's. A group of burly guards, armed with clubs, pruning hooks, rifles—anything that might discourage an intruder—strained their eyes and ears to detect the approach of "snooping" oil scouts.

For days the crude oil market had been teetering in the balance as the walking beam of this "wildcat" well sent the drill biting down into the earth. A few more strokes might tell whether the well would be a "gusher," a "pumper," or a plain "dry hole." If the oil scouts could know that the drill had brought up traces of black, greasy sand that afternoon, the price of crude oil would drop on the exchange, and the owner of the mystery well would be minus a handsome profit.

Beyond the circle of firelight a twig snapped. The guards sprang up, peering into the blackness. Two figures, crouching in the undergrowth, rose and began to run. The guards leaped after them, caught one of the scouts and bound him securely. At dawn he was released with a warning that he would not escape rough usage if he were caught in the neighborhood again.

True to the wildcatter's hopes, a black fountain bubbled up that day, but it was concealed from the scouts, who watched through field glasses from a distance. The producer quietly sold off much of his advance production while crude prices held their level.

Such was the life of a scout in the early oil fields. He lived by his wits and was as frequently successful in his undertakings as he was outwitted. Producers were markedly reluctant to give out information regarding their activities and the scouts were forced to resort to stealth, stratagem, or out-and-out bribery to accomplish their tasks.

Today information concerning production activities is a matter of common knowledge; the modern oil scout leads a life which is less rough-and-tumble and more scientific, but the early oil scouts were important characters in the drama of petroleum's infant days.

★

★

THE COVER ILLUSTRATION ON THIS ISSUE OF THE TEXACO STAR, SHOWING THE FRUSTRATED ATTEMPT OF TWO OIL SCOUTS TO SECURE INFORMATION REGARDING AN EARLY "WILDCAT" WELL, IS THE TWELFTH OF A SERIES OF ORIGINAL PAINTINGS DRAMATIZING OUTSTANDING EVENTS IN THE DEVELOPMENT OF THE AMERICAN PETROLEUM INDUSTRY

★

The TEXACO STAR

VOLUME XIX
NUMBER 4

COPYRIGHT, 1932, THE TEXAS COMPANY

★

JULY—AUGUST 1932

★

IN THIS ISSUE

★

Cover by O. F. Schmidt

A PUBLICATION OF
THE TEXAS COMPANY

Published bi-monthly for distribution to employes and stockholders

DIRECT ALL COMMUNICATIONS TO THE EDITOR OF THE TEXACO STAR
135 EAST 42ND STREET NEW YORK CITY

★

While the contents of this journal are copyrighted, other publications are welcome to reprint any article or illustration (except such as are shown to have been separately copyrighted by others) provided due credit is given to The Texaco Star or The Texas Co.

BRIEF

★ The average motorist paid $20.00 in gasoline taxes last year, according to figures of the United States Bureau of Public Roads. Total net collections for 1931 were $536,397,458, an increase of $42,532,000 over 1930. Since the first tax in 1919 about two and one-half billion dollars in state gasoline taxes have been paid.

AND

★ President Hoover has signed the bill restoring to Puerto Rico its original name, so long mis-called "Porto Rico."

TO

★ Citizens' Military Training Camps will train more than 37,000 men this Summer, as they did in 1931. Information may be obtained from the C. M. T. C. officer at the nearest United States Army Post or from the Adjutant General of the Army, Washington, D. C.

THE

★ America has its gasoline tax racket; Germany has to contend with gasoline and tire smuggling over the border from The Netherlands.

POINT

★ Several American cities, notably Los Angeles, Cleveland, and Buffalo, would face a condition of 100 cars for every parking space if all their registered motor vehicles were to go to the central business district simultaneously, says Harvard's Erskine Bureau.

★

★ Persons who enjoy that sort of thing have figured that the plate glass made in the United States each year would pave a road 18 feet wide from Boston to New Orleans.

★

★ Three representative states, one in New England, another in the Middle West, and a third on the Atlantic seaboard, will apply about 13 million gallons of Texaco Surfacing Material to their roads this year.

★

★ In 1861 the first ships to carry petroleum were considered so dangerous that seamen were shanghaied aboard them.

EWING GALLOWAY

Texaco products help this young man, a native of St. Thomas Island, to transport his two kids to town: One will be examined at the free medical clinic; the other will be sold in the market

EDITORIAL

THE MOTORIST'S BURDEN

With the passage of the new Federal tax bill, the American public has become definitely "tax-minded." The time seems to be opportune, suggests *The Oil and Gas Journal*, for the oil industry to "press home the inequity and iniquity of gasoline taxation."

"Taxpayers," observes this publication, "aghast at the addition of a billion dollars of new Federal taxes, may be in the mood to give some thought to the more than half a billion dollars taken from them each year by state gasoline taxes."

The Federal Government expects to raise $1,118,500,000 from the new tax bill. Of this amount, $150,000,000 will be collected in Federal gasoline taxes, and $33,000,000 on lubricating oils. It is estimated that 50 per cent, or $16,500,000, of the latter amount will be paid by the consumer of automotive lubricants.

Federal taxes on tires and tubes, new motor cars, parts and accessories bring the motorist's burden up to $238,500,000, or *more than 20 per cent of the grand total of the new tax bill.* This the motorist must pay *in addition to the staggering amount of gasoline taxes* ($569,789,522 gross in 1931) *which he now pays into the various state treasuries.*

"Gasoline taxes," says the American Petroleum Institute, "are now in the big-money class. Tax rates may still be measured in pennies, but the returns are counted in millions of dollars. Every motor vehicle is a rolling mint, grinding out dollars for the states with every turn of the wheels.

"But while golden streams of gasoline revenues flow constantly into state coffers, not all the revenue due from this source is being collected. Some officials frankly admit they cannot make 100-per-cent collection, or anything like 100 per cent, of such high taxes. Others declare the failure completely to collect is due to lack of supporting legislation, lack of appropriations, and lack of men.

"Apparently gasoline tax evasion occurs in direct proportion to gasoline tax rates. The higher the tax, the greater incentive to evasion. That must be true as long as more money is to be made by evasion than by legitimate sale.

"Conclusion is growing that high gasoline tax rates and extensive gasoline tax evasion are too great a financial and moral hazard to endure. Conclusion is growing also that the gasoline tax that can be fully collected is one levied at an economic rate. An economic rate is one which makes evasion unprofitable or impracticable. That is, a rate so low as to offer little or no opportunities for profit through evasion.

"Tax evasion was at a minimum when gasoline tax rates were two cents per gallon. Apparently it is at a minimum now in states which have retained that rate. It would seem that public policy, economics, and even business ethics, demand that low and economic gasoline tax rates be restored."

Immediate steps should be undertaken to effect a reduction in state gasoline taxes. With a tax rate of two cents a gallon, the proceeds of which are devoted to the construction and maintenance of automobile highways, neither The Texas Company nor the petroleum industry in general has any quarrel. But with the present rates at uneconomic levels, and with the trend still on the up-grade; with the proceeds of state taxes being devoted to old-age pensions, unemployment relief, and the construction of school houses, (burdens which should be borne by all taxpayers alike, not by the motorist alone), it is time to call a halt.

Your Company has pointed out again and again that the present excessive gasoline taxes demoralize the retail gasoline market, encourage the bootlegging of gasoline, lead to the sale of inferior products, enrich tax-evading racketeers, and destroy the profit of the law-abiding dealer. Before state legislatures go into session next year is the time to halt the rising tide of gasoline taxation.

★ The National Fire Prevention Association, says *National Petroleum News,* has a campaign under way to stop the selling of gasoline from tank trucks to automobiles on public streets. The practice was recently banned in Washington, D. C.

One of the dangers of drawing gasoline into a bucket and then funneling it into an automobile tank is that of fire produced by static electricity, or by the carelessness of passing smokers. There is also the danger of the parked tank truck's being struck by other vehicles.

Not only has this embryo industry of hawking gasoline in the streets been detrimental and demoralizing to service stations in cities where it has cropped up, but it is also suspected of providing a means for tax evasion.

How the States Can Help the Petroleum Industry

Address Delivered Before the United States Chamber of Commerce Annual Meeting at San Francisco, California

By **C. B. AMES**

Vice-President, The Texas Company

OUR governments, Federal and state, and our people are vitally interested in the petroleum industry. This was well stated by Hon. Robert P. Lamont, Secretary of Commerce, in an address at Chicago last November, in which he said:

"Of 291 sea-going vessels in active service in the Navy, 281 are oil burners. The Army and Navy between them have about 2,800 planes in commission, all of them using petroleum products. About 80 per cent of the horsepower of all prime movers of the country, fixed and automotive, is generated by oil and its products. There are about 26,000,000 automobiles registered or in present use, representing an investment by our citizens of about 18 billion dollars. The 48 consuming states in 1930 collected over 494* million dollars in gasoline sales taxes, quite aside from the crude oil production taxes realized by the producing states. The consuming states collected almost exactly the same amount for each gallon of gasoline (a weighted average of about 3.77 cents) as the oil industry did for all its work from the well through the refinery, since the average refinery price of gasoline was about 3.5 cents. The 300,000 oil wells which are responsible for the steam of our warships, the flight of our airplanes, the financing of our highways, and the turning of 80 per cent of all our wheels are most vital factors in the social and economic life of this modern machine age. There is a national interest in the production of oil from these wells which goes to the foundation of the relationship of the government to the citizen. But these wells are concentrated in a few states; 97 per cent of our production comes from seven states. All but 10 per cent comes from privately owned land. If the supply falters, the nation suffers its lack; if the supply overflows, the nation suffers because its irreplaceable oil and gas are driven into wasteful uses. If gas is wasted, either above or below ground, one hundred and twenty million Americans suffer a three-fold loss: first, because the gas generates no steam; second, because it will never bring oil to the surface; and third, because the oil which is left behind—robbed of its gas content—becomes difficult, if not impossible, to recover."

Our oil and gas resources are exhaustible and irreplaceable. This fact cannot be too greatly emphasized. It must be kept in mind as the fundamental feature of the entire problem. The nation is deeply interested in having an adequate supply of gasoline, kerosene, and lubricating oils for a long period of years. There are no known available substitutes at reasonable prices. Notwithstanding these facts, our oil and gas resources are not being adequately conserved. In 1931, for instance, there were 5,448,000 domestic consumers of natural gas in the United States who used a total during the year of 376,407,000,000 cubic feet, or approximately one billion cubic feet per day. During this same time about two billion cubic feet per day were being blown into the air—twice as much as was used by 5,448,000 consumers. Practically all of this waste is preventable.

In addition to this waste of natural gas, there is wasteful use of oil. Millions of barrels of fuel oil are annually used for purposes which can be adequately supplied by coal. Much of this fuel oil could be converted into gasoline. Coal cannot take the place of gasoline. Therefore, the oil, instead of being conserved for its higher uses, is displacing coal at prices below the cost of coal. This is an illustration of the wasteful use of our exhaustible supply. It is a result of overproduction.

This overproduction has contributed a three-fold element to our depression. It has depressed the petroleum industry by forcing prices to an unprofitable level. It has depressed the coal industry by displacing coal in uses to which coal is well adapted. It has depressed the railway industry by depriving it of the legitimate coal tonnage.

This overproduction has occurred in only four or five states. The total crude oil production of the United States in 1931 was 850,275,000 barrels, of which Texas produced 331,544,000 barrels, or 38.99 per cent; California, 188,830,000 barrels, or 22.21 per cent; Oklahoma, 180,809,000 barrels, or 21.26 per cent; and Kansas, 36,885,000 barrels, or 4.34 per cent. These four states produced 86.8 per cent of the total. In three of them petroleum is the greatest industry. Its production, refining, and market-

*This item in 1931 increased to $569,000,000.

ing branches furnish employment to many thousands of their citizens. The amounts paid in rentals, royalties, salaries, and wages contribute greatly to the support of their people. The amount paid in taxes is enormous. In Texas, for instance, petroleum and its products pay more than 50 per cent of the total cost of government, state and local. These states, therefore, have a very direct interest in the welfare of this industry, and yet in 1931 the wasteful overproduction was so great that crude oil in the Mid-Continent area sold as low as 10 cents per barrel, and the drastic remedy of martial law was applied to stop the waste.

Can the states protect themselves, their own citizens, and the nation from this wasteful situation?

The trouble is not that there is too much oil. This country needs every barrel of oil which it contains. In the course of time, the people will be clamoring for these irreplaceable products at much more than the present price. There is, however, at the moment a productive capacity largely in excess of the immediate demand. These four states today can produce four times as much as the country can consume, but neither these four states nor the whole of the United States can repeal the inexorable law of demand and supply. As long as there is overproduction there will be depression in the industry, and the producing states will suffer the consequences.

What is the remedy?

The remedy is not price fixing. Experiments in this country and abroad, public and private, have demonstrated that a price for a commodity cannot be pegged against an oversupply. Any price-fixing effort which ignores supply is bound to fail. There is one remedy, and only one, and that is to control supply.

Can supply be controlled?

It cannot be controlled by agreement within the industry. The anti-trust laws, state and Federal, whether rightly or wrongly, are construed by some as prohibiting such an agreement. Even if there were no anti-trust laws there are so many producers in the United States having divers and selfish interests that an agreement extending over many states is impossible. One dissenting producer in any given oil pool can prevent the intelligent coöperation of all the others.

An oil pool is a unit. Its boundaries prescribed by nature have no relation to the artificial boundaries of surface ownership. If, therefore, one surface owner declines to agree but insists on drilling into his own land and producing from his own wells, other surface owners are required to do likewise or suffer the drainage of their oil. Past experience demonstrates that it is impracticable to adequately control production by agreement within the industry even in those states where there are no legal impediments.

If production is to be controlled, therefore, it must be controlled by the states. The Supreme Court has upheld various state statutes involving this subject. The state, for example, has the power to prevent the waste of gas even though the indirect effect be to stop the overproduction of oil, and even though there be no immediate market for the gas. (Ohio Oil Co. vs. Indiana, 177 U. S. 190.)

The state has the power to prevent the wasteful use of gas, and to require its preservation for domestic consumption by prohibiting its use for inferior purposes, such as producing carbon black. (Walls vs. Midland Carbon Co. 254 U. S. 300.)

The state has the power to regulate the spacing of wells. (Oxford Oil Co. vs. Atlantic Oil & Refining Co. 22 Fed. [2nd] 597; certiorari denied 277 U. S. 585.)

Within reasonable limits, the state has the power to prevent the drilling of unnecessary wells and to require a method of unit operation by the owners of small tracts where the public interest is involved. (Marrs vs. Oxford 32 Fed. [2nd] 138; certiorari denied, 280 U. S. 573.) The state has the power to regulate the operations of each surface owner in order to protect the rights of all surface owners in a common source of supply and a common reservoir energy, (Lindsley vs. Natural Carbonic Gas Co. 220 U. S. 61; Bandini vs. Superior Court of California, 52 Sup. Ct. Rep. 103.)

The state has the power, in preventing waste, to

> **"It is the duty of government to prevent waste and to protect the natural resources from premature exhaustion. . . . If this be government in business, then let those who oppose it make the most of it, but let them apply an intelligence test and not a mere blind prejudice."**

limit production to market demand and to allocate the entire state demand between the various producing areas within the state. (The Champlin Case 51 Fed. [2nd] 823.* The Julian Case, 145 Okla. 237.)

No state has yet undertaken to compel the unit operation of an entire oil pool, but it is altogether possible that if such legislation is carefully prepared, it will be upheld by the Supreme Court of the United States.

However, no state acting alone can adequately control production because no state has a monopoly of the oil. No matter how effectively production may be controlled in Oklahoma or Texas or California or Kansas, unless similar control is exercised in the other states, the whole effort at control fails to accomplish its purposes. Adequate control, therefore, depends upon and requires coöperation of the principal oil-producing states. The Constitution of the United States provides that:

"No state shall, without the consent of Congress,**** enter into any agreement or compact with another state****."

In order, therefore, to secure effective agreement between the states, the consent of Congress is necessary. These simple facts are now well recognized. The Federal Oil Conservation Board for years has been recommending an interstate compact to prevent waste. There is now an Oil States Advisory Committee, consisting of representatives from the 10 principal oil-producing states, and this committee is urging the creation of an interstate compact and is coöperating with the Federal Oil Conservation Board in seeking the consent of Congress to such a compact. A great many of the enlightened units in the oil industry are anxious to see the compact created and coördination of control by agreement between the principal oil-producing states made effective.

Assuming that control is necessary and that this control must be exercised by the oil-producing states in coöperation with each other, then a very practical question arises as to how much oil should be produced in order to conserve the supply and prevent waste.

Conservation of supply and prevention of waste are the fundamental objectives. Enough oil should be produced, and only enough to supply the reasonable demands for consumption. Less than this would unduly enhance prices. More than this inevitably results in waste. Can the future demand over a reasonable period of time be approximately ascertained? The answer is that it can.

*Pending on appeal in United States Supreme Court when this was written, but since affirmed.

For about two years the Federal Oil Conservation Board through a committee of experts has been forecasting demand over periods of from six to nine months. Similar work has been done by the economics committees of the American Petroleum Institute. The work of these committees has had the test of time and experience and it has been demonstrated that reasonably accurate forecasts can be made.

If we had an interstate compact authorizing the oil-producing states to coöperate with each other for the conservation of their oil and gas reserves, this central agency would naturally be charged with the duty of forecasting demand and would, in coöperation with the Federal Oil Conservation Board, represent both the interests of the oil-producing states and the interests of the consuming public. Having ascertained the probable future demand for refined products over a period of from six to 12 months, it would then be the duty of the agencies set up by the compact to ascertain the amount of crude oil which should be produced during that period to supply the demand. This amount having been ascertained, the states, through this central agency in which they would all be represented, would allocate to each state the proper amount which it should produce. Each state acting for itself alone would, of course, in its own way and without any outside control, apportion its quota between the various producing pools within that state. Such a plan would help insure the producing states against the waste of this natural resource and, at the same time, insure the consumer against premature exhaustion of the supply.

In order for this plan to accomplish the desired results, it is, of course, necessary that the importation of crude oil and refined products should harmonize with the program applicable to domestic production. This important feature is embodied in the measures which have been introduced in Congress under the auspices of the Federal Oil Conservation Board and the Oil States Advisory Committee.

The results which have already been accomplished reflect great credit upon the oil-producing states. Without adequate legal machinery for enforcement in all of the states and without adequate laws controlling production, the principal oil-producing states have done remarkably well. In 1929 the total production of the United States was 1,007,323,000 barrels. This was far in excess of current requirements and the oil-producing states set about improving the situation with the result that in 1930, while the producing capacity was greater, the actual production was (*Continued on Last Page*)

★

Along the "Eastern Shore"

★

One of the Lovely Colonial Homes Found Along Virginia's "Eastern Shore"

YE ANTIENT Kingdome of Accawmacke," and Debedeabon, its "Laughing King," never loomed large in wars of empire, nor did their affairs occupy much space in historical accounts until Debedeabon and his brother, Kiptopeke, met Captain John Smith with uplifted palms as his shallop grated upon the eastern shore of Virginia. After that things took a different turn; Debedeabon became only a memory, but Accawmacke, the "Land Beyond the Waters," became the Virginian counties of Accomack and Northampton.

Virginia's eastern shore, a point of land about 70 miles long with an average width of eight miles, seemed the "land beyond the waters" to a redskin standing upon the shore of Virginia proper and gazing across Chesapeake Bay. In Debedeabon's day it was a territory of sheltered bays and creeks and rivers, with an abundance of seafood, wild duck, geese, and brant to vary the Indian's diet of maize and venison. After the passing of more than a century it became a rendezvous for buccaneers, then for blockade-runners in American wars.

Residents of this "antient kingdome" today will boast that English culture, transported to their shores, had its roots well established in the soil before the Puritans of New England had given up the habit of toting match-locks to church on the Sabbath. They will point out the old court house in Eastville, where the oldest continuous court records in the United States are preserved in a vault; the community of Onancock, from which Commodore Whaley and his men rowed out at night in barges to fight the last naval battle of the Revolution; the monument and burial cairn of the Rev. Francis Makemie, "father of Presbyterianism in America," beside the quiet watercourse of Holsten Creek, and, near the bayside stage road where the mail coach traveled generations ago, St. George's Church, said to be the second oldest church in Virginia and one of the oldest in the United States.

For almost three centuries life was placid along the eastern shore, with only slight changes caused by new economic trends. Improved roads were unnecessary as long as the many creeks were sufficient for the prevailing mode of transportation, but in 1885 the railroad came—the entering wedge of a growing country that 30 years later was rolling along on rubber tires.

With the richness of this region given an outlet, the eastern shore advanced to such an extent that it was recently credited with supplying 60 per cent of the early Irish potatoes and 42 per cent of the sweet potatoes demanded by the American appetite. It maintains one of the oldest and most successful farmers' coöperative marketing organizations, and its commercial seafood brings $3,000,000 annually to a share of its 54,409 inhabitants. For four years within the past decade the two counties that make up the eastern shore of the Old Dominion State were adjudged the richest agriculturally in the United States.

Texaco has served a prime purpose in transporting these products from their point of origin to the dealer and consumer. Herman Watson, former president of the eastern shore's regional chamber of commerce, is a Texaco distributor.

Aside from facts, figures, and historical associations, "ye antient kingdome of Accawmacke" is as good a place to live as it was in 1608, when Captain John Smith, advertising America for the European market, wrote of the eastern shore, "Heaven and Earth seemed never to have agreed better to have framed a place for man's habitation."

What's Behind the Ticker Tape?

Today the Financial Reporter Moves in a World-Wide Field

By E. A. SHERIDAN

Financial News Department, *The New York Times*

WHEN Great Britain suspended gold payments, financial reporters were on the job; when France began withdrawing gold from America; when large corporations began to reduce expenses—in all cases and, in fact, in practically every development having any bearing upon the economic conditions of the world, the newspaper's financial department has been called upon to get the "real story."

The realm of this department is no longer confined to Wall Street—to bankers and banks—to great industrialists and their corporations—or to new financing operations. Its realm has become world-wide—a realm which, beyond any doubt, has produced more news stories of vital importance during the past two years than all the other departments of the average metropolitan newspaper put together. The present economic crisis has become the greatest running news story since the World War.

This means only one thing. It means that the financial reporter must know the world. He must, through his contacts, be acquainted not only with the general conditions of banking, industry, and markets in this country, but with these conditions in every country of the world—and with the conditions of each of the governments of the world. He must know not only the workings of the Federal Reserve System in all its ramifications, but he must know the conditions and functions of the central banking organizations of all countries.

Generally speaking the financial reporter works without "assignments." When he starts his job each day he rarely knows what he must write for his paper that night. Of course if some important event has developed, he knows he must see during the day those men who can give him the best interpretation and reaction.

There are a few other exceptions: The bank reporter knows that he must write the weekly report of brokers' loans and the Federal Reserve statement for Friday's paper; the oil man knows that he must write the American Petroleum Institute's figures on crude oil production for Wednesday's paper; and the railroad man knows he must record the weekly car-loadings for Wednesday's paper.

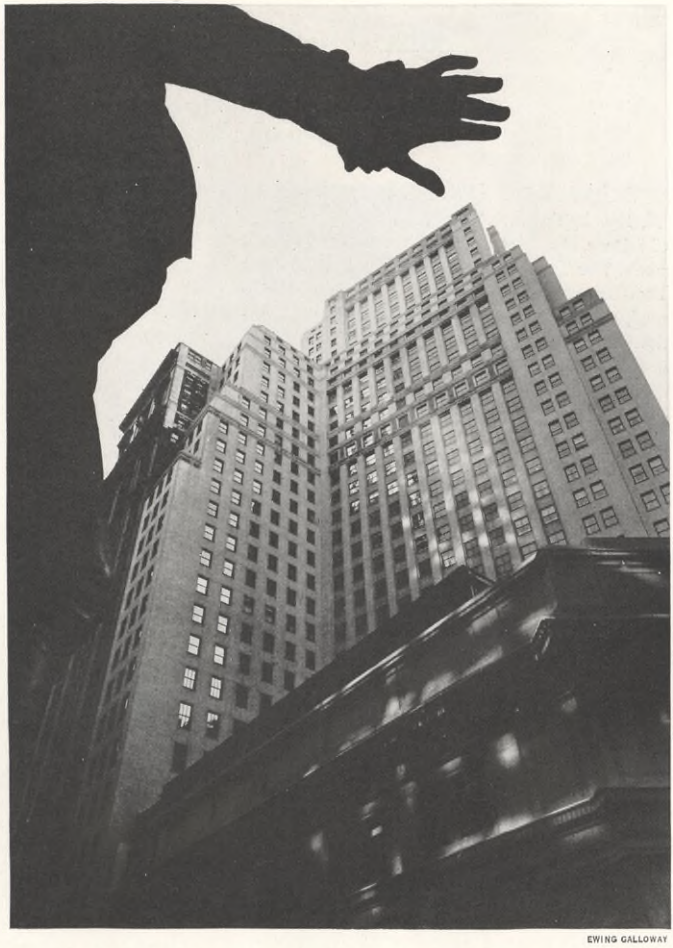
But these are merely routine. The Federal Reserve Bank is visited each day at 3:30, where reporters are greeted by an official who discusses past, present, and future developments with them. A call is made at the New York Stock Exchange each day.

Two of the leading New York morning papers each have a man on bank and currency news, one on bonds, one on oils, one on rails, one on public utilities, one on general industrials and another on investment trusts and insurance. Strangely enough neither has a man on commodities, each relying on men in the trade for their reports of these markets and picking a not-too-busy man from the group if anything particular is developing.

The bank and currency reporter covers the Federal Reserve System and usually stops daily at Morgan's and the National City Bank. He also develops news sources in as many of the other banks as possible. He is the one who is most generally relied on in international matters because he knows currency, exchange, and central banking systems and because his work brings him into greater familiarity with the outstanding leaders in the banking group—those who are in a better position to weigh developments.

The bond man has one of the blindest "runs" in the department. He must keep in touch with every investment banking group which is likely to participate in the offering of bond issues, regardless of how small they are. His field is somewhat international too, because he is the watch-dog of news about foreign corporation and municipal bonds. Usually he does not deal with the heads of the investment banking firms, but develops his contacts with some lesser but no less well-informed member who is in a position to give him news confidentially at times when the head of the firm would have to make a general publicity release.

The railroad man's province is to know how and where every line in the country fits into the national transportation system; to know who are the owners,



EWING GALLOWAY

Equitable Trust Building, The House of Morgan (Lower Right) and the George Washington Statue on the Steps of the Sub-Treasury, New York City

★

real as well as official, of each line—and who are the bankers for each; to know the Transportation Act and the rulings of the Interstate Commerce Commission inside-out; and, at present, the workings of the Reconstruction Finance Corporation as it pertains to the carriers. He must develop contacts, sometimes with the heads of roads, but more often with officials who can steer him properly in his search for news. Also he must know thoroughly the history of the relations of the railroads with labor.

The oil man must know representatives of all the leading oil companies and their bankers. He must know the price structures of the industry and the relation of each to the others. He must know the banking history of each company, and the genealogy of each, (for not a few such organizations are the outgrowth of many smaller companies).

The job of the investment trust and insurance man is to keep in touch with the managers and sponsors of each of the many general management and fixed trusts which have sold in three and one-half years billions of dollars worth of securities to small investors throughout the country. He must know thoroughly all the Stock Exchange regulations of these companies. He must know the investment policies of each important company and must also establish contacts with the great insurance firms, their investment policies and general progress.

To the industrial reporter falls most of the other news. Generally he covers all industries which cannot be definitely classified in one of the other groups. His largest companies are, of course, those of the type of the United States Steel Corporation and General Motors, but everything done by any company, whether it makes soap or copper, or anything done generally in industry is within his province.

There is one other source of news in the financial world which must not be overlooked—publicity. Day after day the Wall Street offices of the great newspapers are bombarded with publicity, some of it very good and some of it fodder for the waste basket. In some offices the good publicity is passed on to the various re- (*Continued on Last Page*)

"The Century" Steps Up to Meet a New Schedule

THOUSANDS of years ago the ancients read time by the stars. Today, in an enlightened age of science, star time is still being used to run railroads. The Twentieth Century Limited, crack New York-Chicago train of the New York Central Railroad, recently began its new 18-hour schedule between those cities on star time. Although the ancients gauged their time by crude guess-work, science has made the star time of the present acurate to .002 of a second.

High above a crowd gathered at the New York Central's terminal in Chicago to witness the inauguration of the new schedule, electric lights on a huge star flashed the seconds with impulses conveyed from a watch company's astronomical observatory. Girls with powder puffs and buffers "manicured" the locomotives of the train's two sections while a small army of mechanics and helpers gave everything a last going over.

At the head of a parade that trooped into the train shed were two girls, one dressed in the style of 1902, when the Twentieth Century made its first run, and the other arrayed in the up-to-the-minute fashion of 1932.

John W. Gates, one of the early mentors of The Texas Company, was aboard the Century on its first trip in 1902 and made the prophecy that the train would make New York and Chicago suburbs of each other. Mayor Anton J. Cermak of Chicago, as he broke a bottle of water on the modern engine's pilot, said: "For 30 years this train has made New York a suburb of Chicago and strengthened the good will and kindly feeling between the two cities." The bottle contained water from the Hudson and Mohawk Rivers and Lakes Ontario, Erie, and Michigan, symbolizing the water level route of the New York Central Lines.

J. L. Lavallee, Assistant Manager of The Texas Company's Railway Sales Division at Chicago, was an interested spectator at the ceremonies. The Twentieth Century must keep its schedule. Delays caused by hot-boxes or improper lubrication are not to be thought of. Using Texaco for oiling this train, the fastest long-distance train in the world, perfection in equipment, mechanical devices and accessories, is absolutely essential.

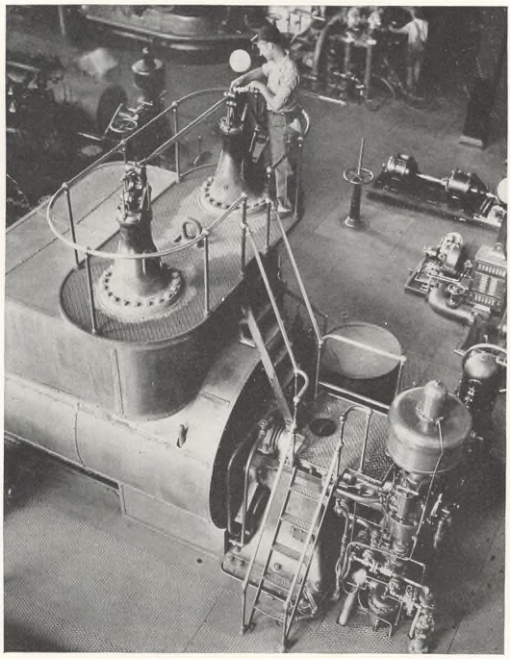
Chicago's Mayor (Right) Officiates as "The Century" Leaves on its First 18-Hour Trip Between Chicago and New York

As red lights on the star flashed the few seconds remaining before 1:30 P. M. Central Standard Time, the engineers leaned from their cabs ready to pull the throttle. The red lights changed to green and instantly the two locomotives barked a goodbye and rolled from the shed. Thanks to the latest type of equipment and Texaco lubrication, the Twentieth Century Limited made every stop on schedule and rolled into the Grand Central Terminal in New York just 18 hours later, "star time."

Bringing Father Up to Date

The Grease He Used on the Family Buggy Would Never Lubricate Today's High-Speed Machinery

MOST of us can remember when father, or even grandfather, took off his detachable cuffs, rolled up his sleeves, and greased the axles of the every-day buggy, the surrey or phaeton that was used on Sundays and state occasions, and the rest of the family rolling stock. The grease used was generally an unbranded, muddy, unattractive, and evil-smelling commodity, and one application lasted until the wheels started to squeak again.



EWING GALLOWAY

A Consideration of Operating Conditions is Equally as Important as the Actual Specifications of a Lubricant

That was in the era of low-speed machinery, and it was a long era. The crude cart-wheel began almost with primitive man, and with the cart-wheel came the solid bearing in a wheel revolving around a shaft. Another type of solid bearing came with the invention of the water-wheel—two solid bearings in which the wheel and shaft revolved.

Solid bearings are built in one piece and cannot be adjusted to compensate for wear or alignment. There is no provision for lubricant distribution and no special product is required; any grade of oil or grease heavy enough to keep the surfaces apart suffices. As the bearing becomes worn, a heavier lubricant is needed to fill up the increased clearance.

The solid bearing still has many uses and is not to be looked down upon, but with the opening of the era of high-speed machinery in recent years came the split bearing, and the greater intricacy of the split bearing called for different grades of lubricants. These lubricants, made from petroleum in varying degrees of liquidity or in combination with lubricating agents other than petroleum have made high-speed machinery possible.

The evolution of the bearing and the development of the science of effective lubrication that parallels this evolution are described in a series of lubrication lessons prepared by The Texas Company for the Champion Fibre Company's vocational school at Canton, North Carolina.

In these lessons the elementary principles of lubrication and friction are explained. Lubrication is discussed with relation to the size of bearings, their speed, and the pressure and temperature to which they are subjected. The lessons are designed to overcome the lack of understanding by workmen and others of the task that lubricants must perform, and to show that this lack of understanding, not the lubricants themselves, may cause difficulties in operation.

The course of lessons shows the necessity of realizing that means of application, construction, and operating conditions as they involve temperature, pressure, and the possibility of contamination, are of as much importance in the choice of lubricants as the actual specifications of the lubricant itself.

From simple, elementary explanations, the lessons continue through a series of moderately technical explanations.

"WE'RE PRA
THE CO

ARTHUR LANG

Undisturbed by the Clatter of the Elevated, These Goats Find Good Grazing on a Busy Avenue in the Bronx

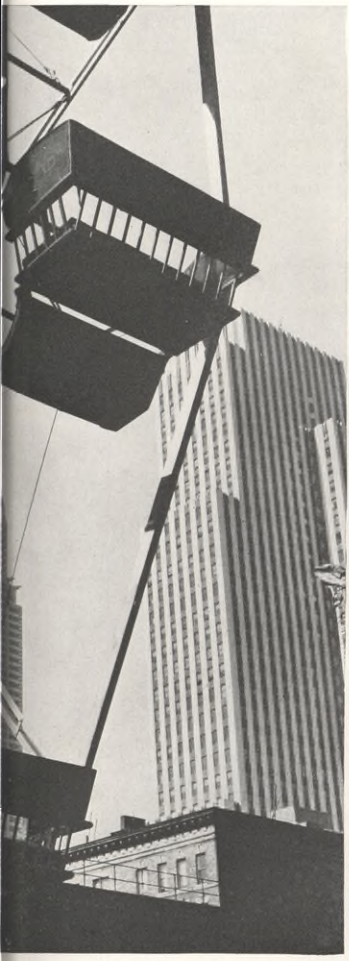
(Right) Seed Stores One Block from the Woolworth Building Lure Gotham's Gardeners at the First Signs of Spring

(Left) Chopping Wood for the Kitchen Stove is the Chore of these City Lads whose Homes are in Trinity Place, Just a Few Blocks from New York's Great Financial District

(Above) Fr this Ferris ond Avenue joy an Exc the Towe Chrysler, a Daily Ne

PHOTOS NOT OTHERWISE
PHELPS CUSHING, FROM N

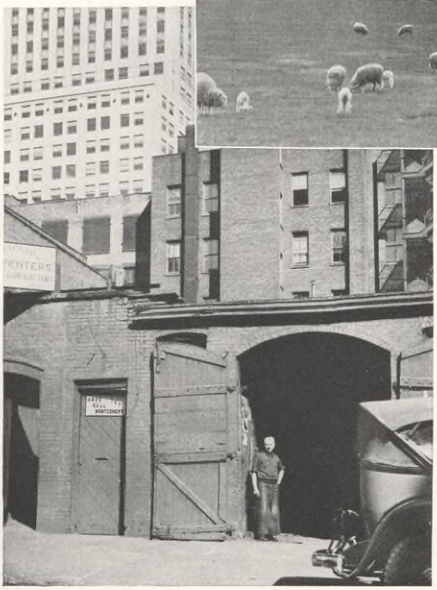
CTICALLY IN UNTRY"



the Seat of heel on Sec- One May En- ent View of Lincoln, New York Buildings

OWEN M. SMITH

Manhattan's Fashionable Mid-town Skyline is a Background for this Flock Pastured in Central Park



(Left) This Genial Horse-Shoer Does a Thriving Business Within One Hundred Yards of the Chrysler Building

(Right) The Old Swimming Hole Has Many Metropolitan Counterparts: This is in Washington Square in Lower Fifth Avenue, and on Hot Days Its Merits are Obvious

EDITED ARE BY CHARLES
NESMITH AND ASSOCIATES

Squandering Our Heritage

Pioneer Civilizations Are Ruthless in Dealing with Natural Resources

By **A. C. SMITH**
Assistant Manager, North Texas Division, Producing Department

IT HAS been suggested that ours is a pioneer civilization. Pioneer civilizations have ever been ruthless in their conduct of affairs. They have been ruthless in dealing with the materials at hand, particularly with natural resources. They have been ruthless in dealing with human happiness and human life, and at times even ruthless in dealing with moral principles.

A pioneer civilization builds rapidly. It has no time for detail. It builds with the materials at hand. Such materials being usually abundant, as compared to the present need, no economies are at first indicated to such a civilization.

The writer is still young enough to be classed as a comparatively young man. Yet he remembers when Texas was a pioneer state. West Texas was a vast cattle country; East Texas a primeval forest of long-leaf yellow pine. Our present large cities were mere villages, comparatively speaking. Our streams were full of fish and our forests and plains abounded with every conceivable kind of wild game.

Within one lifetime we have destroyed the game and would have destroyed the fish had not conservation principles been called into being to forestall the loss.

We have destroyed the forests of East Texas; today vast areas of that section present no more pleasing vista to the eye than an unending view of blackened stumps, with the surface of the ground destroyed by the rapid erosion that inevitably follows incorrect forestry methods.

What has been done in Texas is an example of what has happened generally throughout this great country. We have destroyed game and fish. We have destroyed virgin forests. We have over-developed our coal mines. We have snatched the gold and the gems from the hills. We have allowed the oil wells to flow and the gas wells to blow. We have destroyed the bison, and with them a human race. We find ourselves overwhelmed with our own wealth, confounded by own own folly, almost destroyed by our own greed.

An individual, a company, an industry, a nation, or a civilization whose economic set-up is predicated upon the principle of waste—an unmoral principle—cannot possibily prosper. It will be inevitably destroyed as a natural consequence of its own folly. Perhaps we are facing such a condition at this time. We have a super-abundance of all the basic commodities that have been yielded by a too-intensive exploitation of our natural resources. There is not a single product derived from the cultivation of a natural resource that can be called to mind with which we are not at this time surfeited.

This being the case, it is refreshing to observe business men pause in their careers and cry "halt!" to an industry bent upon economic self-destruction. It is well that we too should pause and heed the warning of these men, and join with them in their fight to direct attention to a greater underlying principle than present profit—a greater and higher law than that which governs mere commercial endeavor.

Not for one moment should the dire threat of our present economic necessities be minimized. The evidence of their stark presence is apparent at every hand. Indeed, a correct and painstaking application of conservation principles will go a long way toward remedying our present situation and preventing a recurrence of it.

When one considers that according to scientific history it took the Creator of this universe millions of years to store up natural resources, such as oil and gas, that we propose to dissipate in less than one generation, one need offer no further proof. The case is closed.

It should be apparent, even to the casually informed, that the application of these principles should result in immediate benefit to our industry. This will mean a benefit to business in general. Who can say but that the application of these principles may not insure the very life of this nation by providing for its adequate defense? Who knows but that the application of these principles may not save our peacetime civilization from self-destruction?

The Tavern and the Town

By R. P. HOPSON

This Old Tavern Has Kept "Open House" More than 100 Years

EVEN before the Louisiana Purchase, Indians brought their furs to Arrow Rock, Missouri, to exchange them for beads and trinkets. It was here that two of their trails crossed—one traversing the Missouri River east and west and the other swinging up from the Osage country and continuing north. Before the days when French prospectors came in search of silver and gold, Indians had found an outcropping of flint rock especially suitable for making fine arrow heads and a peculiar clay deposit useful for moulding their pipes.

Tradition relates that Arrow Rock took its name from the result of a contest between young Indian braves for the hand of a chieftain's daughter. Only one, the warrior the girl loved, was able to shoot an arrow across the waters of the Missouri to a white bluff on the opposite shore, and the Indian maiden in her joy cried out "Arrow Rock!"

Daniel Thornton, and Isaac and William Clark in 1816 made the first permanent settlement in Saline County, Missouri, in the big bottom of Arrow Rock. They came out of the Tennessee Mountains and floated a large keel boat down Big Pigeon River into the Tennessee, and then into the Mississippi. They had to "cordelle" their craft all the way up the Missouri to Arrow Rock, a task accomplished by two men on the river bank pulling the boat with a long rope while the third stood in the bow and poled the moving vessel away from the shallows near the shore.

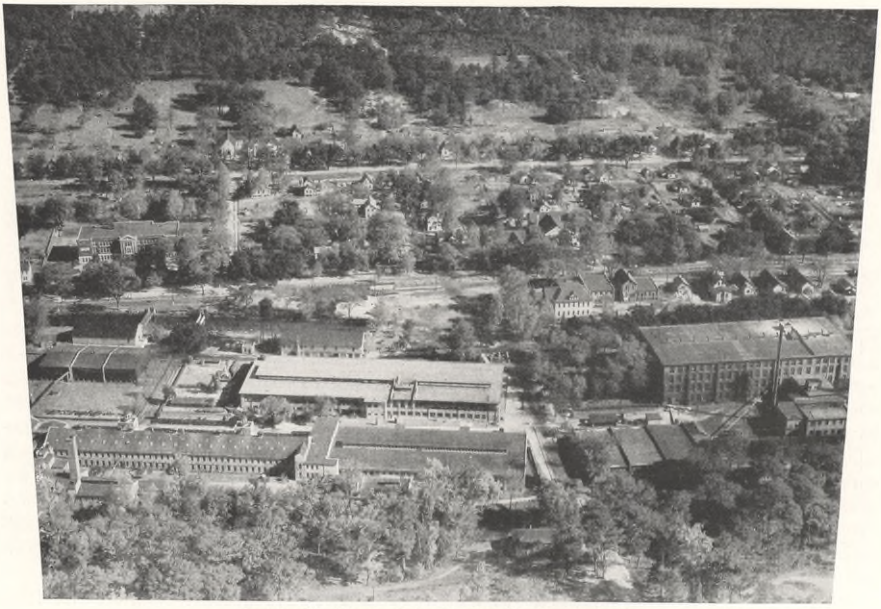
In 1829 the post had become so important to commerce that citizens laid out and incorporated their town. First it was called New Philadelphia, but the name Arrow Rock was later adopted after a petition of the residents to the state legislature. The Santa Fé Trail—the east-and-west Indian footpath—had become so important by that time that frequently as many as 150 men and 50 or 60 wagons with from eight to 16 oxen, mules or horses each, made Arrow Rock a place of great bustle and business. Judge Joseph Huston saw the need of an inn to accommodate travelers and accordingly erected Arrow Rock Tavern, which immediately became the meeting place for pioneers, prospectors, wagon drivers and fur traders.

Arrow Rock Tavern has never closed its doors to the public for more than 100 years, and now, restored to its original condition, is under the supervision of the Missouri Society of the Daughters of the American Revolution. As it stands on a high bluff of the Missouri the tavern overlooks the site of Cooper's fort, a refuge of early settlers; the salt spring where the sons of Daniel Boone made salt and shipped it down the river in hollow logs, and the Big Springs, camping ground and watering place for the ox teams of early wagon trains going over the Santa Fé Trail.

There are 18 rooms in the tavern, filled with old furniture, rare pieces of china and glass, old spinning wheels and flax wheels, and having on display paintings by General George C. Bingham, Missouri's most famous artist; an Indian plow, the head-dress of the Indian warrior Geronimo, a fine collection of arrow heads and numerous relics of the Missouri pioneers.

Relic Room of the Old Tavern

Motorists would do well this Summer, in planning vacation trips, to include Arrow Rock, Missouri, in the itinerary.



Graniteville Plants of the Graniteville Manufacturing Company: Oldest Plant Shown in Left Foreground

Graniteville's Mr. Gregg

Founder of this Old Southern Textile Mill Was an Apostle of Industrialism

By **J. B. WALKER**

Lubrication Engineer, Atlanta District

GRANITEVILLE, South Carolina, a modern town of 6,000 inhabitants, is in Aiken County and is located on Horse Creek, which furnished power for the first successful cotton mill operated in the South. Many attempts had been made prior to 1845 to establish the textile industry in the South but it remained for William Gregg, founder of what is now the Graniteville Manufacturing Company, to build and operate the first successful plant.

The Graniteville Manufacturing Company, including the Warren Division at Warrenville, South Carolina, and the Vaucluse Division at Vaucluse, South Carolina, operates 96,864 spindles and 2,582 looms, making sheetings, drills, twills, prints, and sateens, which are finished for the market at the Gregg Dyeing and Finishing Plant at Graniteville, located near the first building, the Granite Mill.

No history of Graniteville would be complete without some mention of the man who founded it and devoted the latter part of his life to its development and growth. For this information the writer is indebted to N. Charee Croft, a great-grandson, now a student at the University of South Carolina.

William Gregg was born in Virginia in 1800 and at the age of 10 moved to Alexandria, Virginia, where he lived with his uncle, Jacob Gregg, a watchmaker and manufacturer of spinning machinery. Later William and his uncle moved to Georgia, where the latter devoted his attention to the textile industry. After 1814 the uncle was unable to continue the successful operation of his plant and established his nephew in his former trade, that of watchmaker and silversmith.

William spent the next 10 years perfecting his trade, coming to Columbia, South Carolina, in

1824. By that time he had accumulated a considerable fortune, to which he added by establishing a jewelry and silver business on a much larger scale at Charleston, South Carolina.

Although by this time Gregg had ample means to retire, he wanted to serve the people of his adopted state. He realized that South Carolina had to divorce its single standard of agricultural life. The leaders of thought in the state were wedded to "king cotton." Gregg foresaw economic difficulties and began to preach the doctrine of industrialism. In 1845 he founded the Graniteville Manufacturing Company.

Many of Gregg's ideas are still in force in the South today. He established his own mill village in the town of Graniteville, furnishing homes to employees at a nominal cost. Parents were required to keep their children in school between the ages of six and 12. Good teachers and textbooks were furnished by the company without cost. Gregg was also his own enforcement officer. If he encountered a truant he would return the child to school. If the offense was repeated he would take him to the office for suitable punishment. Under his fatherly feudalism, families were fined five cents a day for each unexcused absence appearing on their children's school records. Refusal to pay this fine involved the forfeiture of a home in the village.

Gregg also enforced prohibition in the town. Scarcely had the mill begun operations when he wrote, "The use of alcohol is not tolerated in the place. Young people, especially males, are not allowed to remain in the place in idleness."

At 67 he tendered his resignation, expressing the hope that other textile operators would see fit to establish similar institutions in the South, and recommending that the school be supported with a liberal hand. About three months before his resignation became effective, he was notified early one morning that the dam had yielded to a flood caused by heavy rains. He went immediately to the scene and worked for hours helping to make repairs. The consequent exposure brought on an illness of which he died two weeks later on September 13, 1867.

Should one visit Graniteville today, he would find the atmosphere permeated with the progressive spirit of its founder. Of particular interest is the original mill, built of granite blocks quarried within half a mile of its site. Texaco products are charged with the duty of lubricating the equipment of these establishments and there, as in other textile mills throughout the United States, their performance is outstanding.

Half a mile to the east, on the much-traveled Gregg Highway, swinging upward and onward through magnificently picturesque hill country to the town of Aiken, rises an elevation known as Cemetery Hill. Here, on the crest, overlooking the scene of his labors, the village erected in 1926 a monument to his memory on which may be read these words:

"William Gregg
Founder of Graniteville
Benefactor of Mankind
South Carolina's Martyr to Industry"

Texaco Asphalt Selected for New Safety Highway

Highway engineers, according to recent news reports, are convinced that motorists will drive rapidly on good roads no matter what the dangers may be, and that safety features of modern highways must keep pace with improvements in auto design that make fast driving increasingly comfortable.

This factor was taken into consideration a short time ago when a new route was planned between Houston, Texas, and La Porte, its "playground" on the shores of Trinity Bay. A concrete highway had been built in 1927, but there were accidents, delays, and a general feeling that the road was too small for the traffic it had to carry.

Because of this increasingly serious condition, says *The American City*, another route from Houston to La Porte was deemed necessary. In 1930 bonds were voted to build this road, giving it the official designation of "Spencer Highway," in honor of County Judge Rollin Herbert Spencer. Texaco Asphalt on a concrete base was chosen for the 12 and one-half mile stretch of 30-foot roadway.

The granular surface layer, although it partially imbeds itself in the first course of Texaco Asphalt, leaves a surface as nearly non-skid as it is possible to construct.

There are only three curves along the entire length of the highway. The black surface of the road, with white curb, white shell shoulders, and a yellow center streak, makes it safe for night driving. There are plenty of signs, markers and guards over bridges, culverts, and fills. Flat slopes from the edges of the shoulders to the bottoms of ditches tend to prevent a car that leaves the road from turning over.

Road through giant fig tree on Lake Eacham Road, Yungaburra, Queensland

With the Texaco Globe-Trotter in NORTH QUEENSLAND

NOTE: This is the second of a series of articles on Australia prepared by The Texas Company (Australasia) Limited, and published as a supplement to the regular "Globe-Trotting with Texaco" articles on Australia which appeared some time ago.—EDITOR.

BEHIND the Great Barrier Reef lies that portion of the State of Queensland known as North Queensland. As the development of the tropical section of Australia has been comparatively recent we will, for the purpose of this article, treat North Queensland separately from the entire state and let T. E. Jeffrey, who has been the Texaco representative in North Queensland for the past few years, tell the story in his own way:

Nearly 400 miles north of Brisbane, the capital city of Queensland, the traveler enters what is known in our Australasian organization as the North Queensland territory.

From the port of Gladstone, where the railway first enters this vast terrain, the North Queensland territory stretches north like a great spearhead more than 1,000 miles into the heart of the tropics, and westward inland from 800 to 1,000 miles into the vast unknown of Central Australia. The territory covers not less than 420,000 square miles, but no accurate figure can be given because there is no definite western boundary; it is just somewhere on the edge of beyond that exists about 1,000 miles inland. The population of this vast territory does not exceed 250,000.

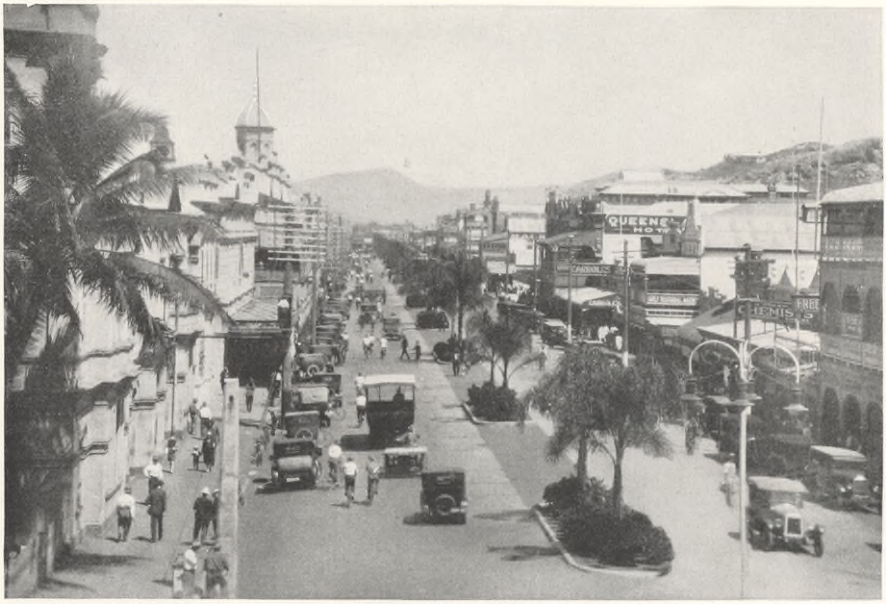
Most of the inhabitants are in the coastal towns and fertile areas. Reaching inland from the coast the population becomes thinner and thinner until it finally dwindles into the solitary prospector after minerals who, undeterred by the terrible Summer heat which often exceeds 110 degrees in the shade, the dust storms that bring twilight at noon, the plague of flies, the thirst, and the utter loneliness of these vast spaces, hopefully plods his weary way after the unknown riches that constantly beckon.

The North to South Railway along the coast was completed only in very recent years; previously these parts of Queensland were connected with the outer world by sea only. Consequently the population has centered about the now thriving towns of Gladstone (8,000), Rockhampton (30,000), Mackay (9,000), Townsville (32,000), and Cairns (10,000), which are situated at almost regular intervals along the coast. From Rockhampton, Townsville, and Cairns the railways run straight inland almost to the borders of civilization. These growing ports can be termed the "Gateways of the West," and they must prosper accordingly.

The voyage by sea on the fine coastal steamers becomes more and more beautiful as the traveler gets farther north. The sea is a great, sparkling blue lagoon through which the ship sails for days; it is almost always placid behind the protection of the Great Barrier Reef, a coral bulwark that stretches 1,200 miles along the Pacific Coast and is one of the greatest natural wonders of the world.

The Great Barrier is a scientist's paradise, and the lover of natural beauty could spend many enchanting months among the thousand isles and passages that lie within its sheltering arm. It abounds with marine life, and extensive fisheries to supply the southern markets are now under consideration. At the northern end of the Great Barrier further romance awaits the traveler in the pearl fisheries of Thursday Island. Unfortunately tourist facilities have not yet been perfected or this would be one of the playgrounds of the world. The last port of call for deep-sea vessels is Cairns, and the settlements north of that town are reached by small motor boats.

Although in the early stages the settlers were attracted by the mineral wealth of the north, the great wealth today lies in agricultural and pastoral



Townsville, One of the Thriving Coastal Towns, Has a Population of 32,000

industries. Along the wet coastal strip, beginning at Mackay and ending 100 miles north of Cairns, where the annual rainfall in some places exceeds 170 inches, some of the finest sugar land in Australia is cultivated, and at the 22 sugar mills more than 3,000,000 tons of sugar cane is milled for an annual production of about 430,000 tons of sugar worth about $41,000,000.

In addition to sugar, a fair quantity of fruit and vegetables is produced and shipped to the great southern markets.

As one leaves the wet coastal strip, the country gets drier and drier and we come to some of the finest grazing country in the Commonwealth, which has produced, in a good season, as much as 70,000,000 pounds of wool.

First we come to the sheep runs which stretch inland some 400 miles, and then, farther on, the great cattle stations which are almost kingdoms in their size and their isolation. The sheep and cattle in the pastoral areas run into millions, but the country is so vast that I have traveled 50 miles without seeing a sign of them.

The communities seem removed from the hurry and bustle of the world, and they watch its antics with semi-detached interest—except in the matter of wool and stock prices and the income tax! The one great handicap in the pastoral areas is the irregular rainfall; in some places children five years old have never seen rain, and 15 inches a year is considered good.

The slaughter sheep and cattle are railed or driven down to the coast, where meat works are situated at strategic points near the deep sea ports; some of the cattle are driven more than 800 miles to these works. The frozen meat exported from Townsville alone is worth about $2,000,000 annually. It is interesting to note among the meat works such well-known American names as Swift (Aust.) Ltd., and Bergyl (Aust.) Ltd., offshoots of famous Chicago firms.

As one goes north from Townsville, the country changes remarkably. It becomes mountainous and the everlasting gum trees give way to dense forests of luxuriant tropical growth. Thus the traveler enters the Tablelands, a plateau some 2,000 feet high which has been transformed by almost incredible labor from tropic forest into rolling maize plains and paddocked dairy farms. Logging camps and saw mills still send a stream of great logs down to the port of Cairns for shipment overseas. Cairns exports more than 12,000,000 feet of timber a year.

Mining has always been important in this terri-

The Great Cattle Ranges Are Almost Kingdoms in their Size and Isolation

tory and some great finds have been made, although with one or two exceptions they have not been worked on a large scale. Minerals abound but at the present time lack of transportation and water, and other problems have prevented extensive exploitation.

Communication is difficult, as the country roads are little more than bush tracks. During the rainy season, which lasts four or five months, the roads are impassable, and even railway communications are at a standstill for a week at a time, but the country is being opened up rapidly. Regular airplane service links up the isolated inland towns and shortens the coastal journeys, radio brings the city concerts and world news to the distant pastoralist, and motor trucks are hastening his produce to the ports and markets. Power tractors chug up and down the cane fields, and the farmer's car takes his children to the nearby school.

It is noteworthy that the England-Australia air route first touches Australia in the northwest corner of this territory and thence passes directly over it on its way to the great capital cities of the South.

Texaco products are distributed throughout this territory through first-class agencies working under the direct control of our head office in Sydney. Texaco lubricants are found in 20 of the 22 sugar mills. Along the bush tracks 500, 600, or 700 miles from the coast empty Texaco tins and cases are a constant reminder of the part Texaco is playing in the development of this great country. The White Car Lines, the one big motor transportation service in the north, which owns a fine fleet of coaches and runs to very strict schedules over the mountain ranges of the Tablelands, is Texaco lubricated 100 per cent.

The Harbor Works use Texaco lubricants, the coast lights use Texaco Kerosene, the meat works use Texaco, and some of the major cities have used Texaco Asphalt to pave their streets. Texaco Power Kerosene is in great demand among the farmers for tractor work, and Texaco helps to make the ice that preserves their food.

Even though the hot, steamy Summers on the coast are almost unbearable, and inland the Summer heat sometimes cracks the skin, the climate is generally healthy and the country is full of promise. These hardy men and women who have brought it to its present prosperous state will yet make it one of the most fruitful parts of Australia, and Texaco is performing a truly national service in placing at the ready disposal of these pioneers the power and efficiency of all the great mechanical aids to labor, transport, and civilization.

Diamond Lake, near Medford, Oregon, and Crater Lake National Park HARWOOD, MEDFORD, ORE.

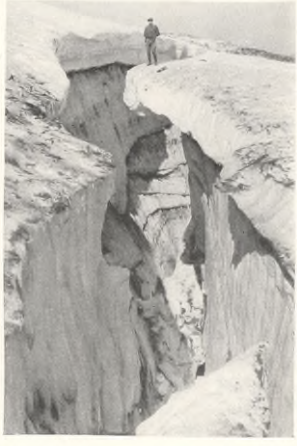
Modern Oregon Trails

TRAVELING through the Rogue River Valley, Oregon, less than a century ago was scarcely a lark, but rather an ordeal forced by grim necessity. Dusty, rutty, bumpy roads, and stage coaches little better equipped for comfort than lumber wagons naturally distracted the passenger's attention from the beauties of his surroundings.

In this, the gasoline age, short tours on smooth highways into the country near Medford, Oregon, reveal a wealth of creeks and rivers, mountains, orchards, and enchanting surprises around every turn of the "old stage road."

Southern Oregon is noted for its rivers, lakes, fishing, hunting, and camping. Framed by snow-capped craters during many months of the year is Crater Lake, sometimes known as "the sea of sapphire." It nestles in the hollow of what, ages ago, was a volcano's crater, and is called by visitors with an eye for beauty, "indescribably blue and silent."

Crater Lake National Park has been extensively developed recently, and many facilities have been provided for vacationists. A trail to the water's edge leads the expectant fisherman to secluded eddies where rainbow trout abound. Around the crater's edge are 35 miles of highway, giving the tourist a view of the lake from every angle, and also affording glimpses of Klamath Lake in the distance.



Fourteen miles north of Crater Lake is Diamond Lake, one of the favorite vacation spots in Oregon. One need not be an expert angler to catch fish in Diamond Lake, it is said, and this fact alone draws many vacationists. The lake itself is set in fir and pine forests and is surrounded by snow-crowned mountain peaks.

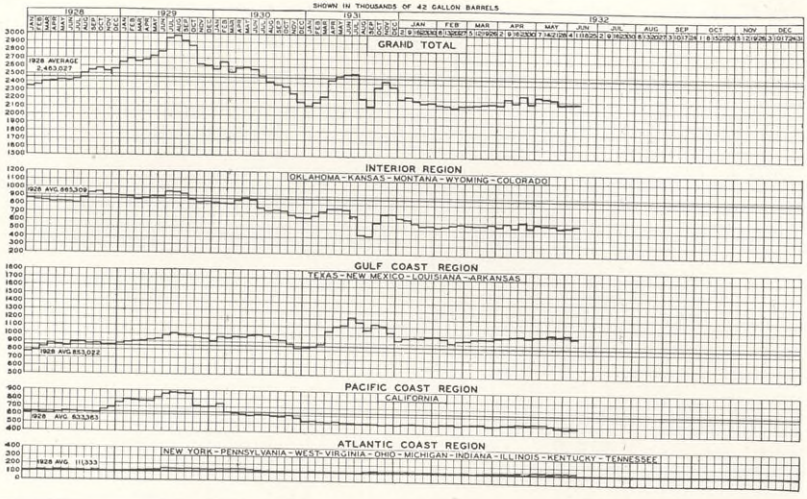
Southern Oregon's lakes are not the only spots in the state famed as paradises for fishermen. The Rogue River itself is famed throughout the West for its matchless trout and salmon fishing, and anglers come from great distances to catch the famous Chinook salmon and steelhead and cut-throat trout. Medford and the Rogue River Valley probably have more enthusiastic fishermen in proportion to population than any other section of Oregon.

Nearly 85 per cent of the world's production of Bosc pears comes from the Rogue River Valley.

DAILY AVERAGE CRUDE OIL PRODUCTION

TOTAL UNITED STATES

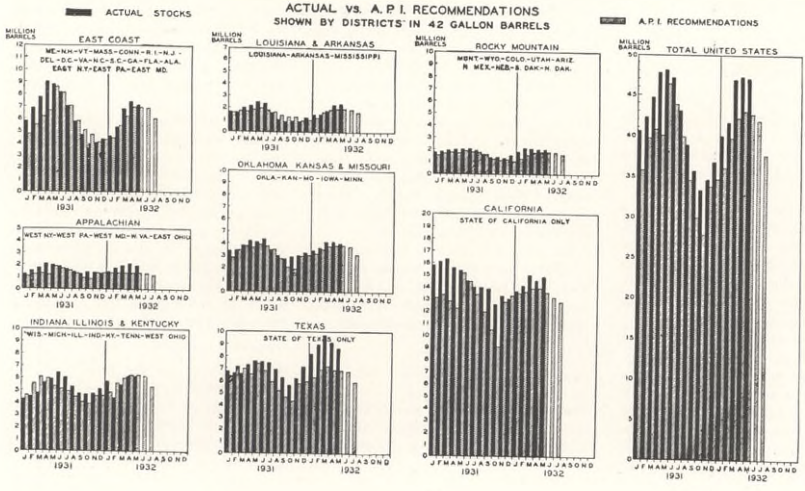
Up to and including June 11



GASOLINE STOCKS FIRST OF EACH MONTH

IN UNITED STATES

As of May 1



OUR WHO'S WHO

J. B. WALKER, author of "Graniteville's Mr. Gregg," was born in Edgefield, South Carolina. Graduating from preparatory school in 1907, he served his apprenticeship as a mechanic in the Edgefield Manufacturing Company, Edgefield, South Carolina, being promoted to master mechanic six months after completing his apprenticeship. Two years later he became erecting engineer for the Lummus Cotton Gin Company, Columbus, Georgia, and later was employed as chief engineer and master mechanic for the Grendell Mill Corporation, Greenwood, South Carolina. He served in the Navy during the World War and returned to his former position with the Grendell corporation after leaving the service. He came to The Texas Company in 1926 as Lubrication Engineer and his present headquarters are at Greenwood, South Carolina. His hobbies are hunting and fishing.

E. A. SHERIDAN, whose article on financial reporting appears in this issue, claims the State of Maine as his birthplace. He graduated from Bowdoin College in 1926 and from the Columbia University School of Journalism in 1928, becoming associated with *The New York Times* in that year. Newspaper work has been his vocation and avocation for the past six years, but when time permits he enjoys a good game of tennis or golf.

TICKER TAPE

(Continued from page 9)

porters within whose field it seems to fall. In others there is a "re-write man," who puts this material into the proper form for his paper's requirements.

In each of these offices there is a large statistical staff whose duty it is to compile the tables for security transactions, dividends, company meetings, and all the other routine items which play such an important part in the daily financial columns.

In the last analysis, the financial reporter's job is to chronicle and interpret for his readers the daily happenings in the world of finance and industry. In every case he must work intelligently, carefully, and thoroughly, for he serves not the few great figures of "Wall Street" and the other financial marts of the world, but the many thousands of small investors who are essential to our present economic system.

BOOK REVIEW

TO GO where the foot-steps of civilization have not fallen, or have fallen lightly, is the delight of Charles J. Finger, author. Last Summer he and his son and daughter set out on a tour which covered most of Colorado, a good bit of Arizona and Utah, much of California, part of Oregon and Washington, as well as Vancouver, part of Canada, Montana, and Wyoming.

Out of it came Mr. Finger's latest book, *Foot-Loose in the West* (William Morrow and Company, New York) illustrated with sketches made during the trip by Helen Finger, his daughter. It is more than a travel book; it embraces philosophy, history, poetry, humor, anecdotes, geography, natural phenomena, archaeology, etymology, Indian lore, and cookery. Nothing fails to interest Mr. Finger.

One turns to the index and sees the words: "Texaco maps, our preference, 103." On that page is told how the travelers compared road maps and found them sadly at variance, and how they found the maps published by The Texas Company to be the most satisfactory. "And, parenthetically," says Mr. Finger, "here is a point for the consideration of captains of industry: because we used these maps, we generally used the same company's products. Indirect advertising may be the still, small voice that is far more powerful than megaphone thundering on huge sign-boards."

Gasoline station men "with the souls of poets" occupy considerable space in Mr. Finger's narrative.

"In the gasoline station man," he says, "there survives something of the spirit of the old-time hostler; man of helpfulness, humour and patience. We look upon him as being possessed of all kinds of knowledge—distances, state of roads, sights worth seeing, weather conditions, market conditions, local news, the humour of motors.

"Perhaps some of them, having the souls of poets, flee to the wilds and open gasoline stations to the end that they may indulge in sweet contemplation and lonely visions. Or maybe some of them consider the chief good to be in acting justly, for fairness is the rule at all filling stations."

Mr. Finger learned on this trip that "dullness is not the natural lot of man," and for those who find life dull he recommends an auto trip. One would have to be very callous not to recommend his book.

STATES CAN HELP

(Continued from page 6)

reduced to 896,272,000 barrels. Again, in 1931, while for a time the producing situation got out of control on account of the rapid development of the new East Texas Pool, still, as a result of drastic remedies applied in Oklahoma and Texas, partly through martial law, the entire production of the United States declined to 850,-275,000 barrels. During 1931, Kansas, Oklahoma and Texas coöperated with each other to produce this result and the public officers of these states are entitled to great credit for their constructive efforts. Their accomplishments in the face of inadequate laws and inadequate machinery stand out as a remarkable achievement. One of the most encouraging features of the situation is that the nature of the problem is quite generally recognized and that the public officers of the oil-producing states have the cordial support of the great majority of the oil producers.

The problem of the petroleum industry is the problem of over-supply. We have excessive producing capacity, excessive refining capacity, and excessive marketing facilities. In this respect we do not differ essentially from other industries. There is an excess of producing capacity in the coal industry, in the timber industry, in the copper industry. There is excess plant capacity in the steel industry, in the automobile industry, in the textile industry, and in many others. The problem in all these industries is to deal with this excessive supply. In the petroleum industry much progress has been made, although much yet remains to be done. However, it is highly gratifying to know that the problem is understood by the oil-producing states and by the Federal government, and that a sound program is being steadily pursued with increasingly gratifying prospects of complete success.

Does this mean governmental interference with business? Possibly so, but no one can deny that it is the duty of government to prevent waste and to protect the natural resources from premature exhaustion. Only by doing so can the government protect the consumer. If this be government in business, then let those who oppose it make the most of it, but let them apply an intelligence test and not a mere blind prejudice.

★ The author of the article on Argentina which appeared in the March-April issue of THE TEXACO STAR was Mr. O. D. Small, not Mr. O. B. Small, as was stated. THE STAR apologizes for the error.

PRINTED IN U. S. A.

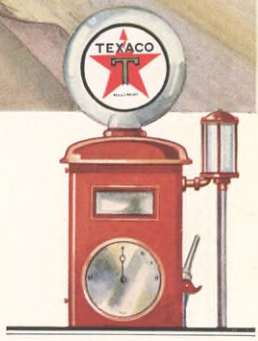
THIS SCENE WAS ENACTED IN NEARLY EVERY CITY AND TOWN IN THE UNITED STATES ON THE OPENING DAY OF THE TEXACO FIRE-CHIEF GASOLINE CAMPAIGN: TO DATE TEXACO DEALERS HAVE GIVEN OUT NEARLY THREE MILLION FIRE-CHIEF HATS

★

Breeze through traffic

with the new

TEXACO *FIRE-CHIEF* GASOLINE



Shrieking Sirens—the roar of a powerful engine—a red streak flashes by and she's on her way! *There's* power for you—real honest-to-goodness power—the kind of power you'd like to have right under your own accelerator!

Today you can have it. Not the fire engine, nor the siren, nor the bell—but the very same power-gasoline which surpasses Federal specifications for distillation range and vapor pressure.

Uncle Sam uses this type of gasoline for . . . "ambulances, fire engines and emergency vehicles." You can now have it for your own every-day use at no extra price.

Texaco *Fire-Chief* Gasoline is an anti-knock gasoline with an Octane Rating that is outstanding. And remember, Texaco *Fire-Chief* plus Ethyl equals Texaco-Ethyl, now more than ever the leading premium gasoline.

THE TEXAS COMPANY · *Texaco Petroleum Products*

The U. S. Government specifies for its emergency use

". . . a grade of motor fuel which is suitable for ambulances, fire-engines, emergency vehicles, military and naval equipment."

(Excerpt from Federal pamphlet VV-M-571, July 21, 1931)

TUNE IN ON
ED WYNN and the Fire-Chief Band
every Tuesday night
Coast to coast, N. B. C.

Developed for fire engines . . . Yours at no extra price!

COPYRIGHT 1932 BY THE TEXAS COMPANY