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OA/ID Number:	25836
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Folder Title:
Bush - Personal File: Clippings

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The New York Times

NOV 14 1951

Partner in Banking House Joins Board of Prudential

Prescott S. Bush
The New York Times

Prescott S. Bush, a partner in the banking firm of Brown Brothers, Harriman & Co., has been elected a director of the Prudential Insurance Company of America, it was announced yesterday by Carrol M. Shanks, president. Mr. Bush also is chairman of the board of the Pennsylvania Water and Power Company and a director of the Columbia Broadcasting System and the United States Guarantee Company.

Doing The Right Thing In The Right Way

Sidney Lovett, D.D.

Doing the Right Thing in the Right Way

is the Baccalaureate Address delivered by Mr. Lovett at Briarcliff Junior College in June, 1947.

With Mr. Lovett's permission, I have had it privately printed for a few friends soon to leave Yale. It is a token of my gratitude for the associations which have been ours and carries my sincere good wishes for an abundant life.

M. B. C.

THE BETHANY PRESS
BETHANY, CONNECTICUT
1948

There are a lot of good people in the world, and yet the world doesn't grow very much better. Here is a curious paradox, and I don't know how you undertake its resolution. For my part, I was greatly helped in this matter by discovering a word of John Morley, a great British liberal statesman of the last century, who declared, "It is not enough to do good; one must do it the right way." Here is the evident suggestion that there is an art or a technique with respect to doing good, which must be mastered if we are to make whatever personal virtue we possess effective in the ongoing life of the world about us. With this idea in mind, let me contrive a few observations on the subject of "Doing the Right Thing in the Right Way."

We shall have to leave it to the professional moralists and theologians to account for the quality of "goodness" in a person's conduct in any definitive way. Suffice it this afternoon to identify "goodness" or "rightness" with a sense of "fitness" or "oughtness," a spark of celestial fire which we call conscience. Sometimes that flame flickers and all but goes out in the gusts of passion and hate that beat upon our lives. At other times the flame burns steady and bright, dissipating the shadows of doubt and hesitancy and fear. By its light we discover the right word for us to speak, the right thing for us to do. But, as Mr. Morley suggests, "it is not enough to do good; one must do it the right way." It is with the second part of this aphorism that we shall concern ourselves in the time that remains.

How easy it is for all of us to do the right thing in the wrong way. An amusing instance of this is found in a story which President-emeritus Nicholas Murray Butler tells about his earlier days as a graduate student. He spent a summer in a typical New England boarding house, located in a small town. The conditions were favorable to his scholarly pursuits, with good food, a comfortable bed, and no distractions. The only unpleasant feature was the fact that sometime during the heat of August the farmer parked some hogs in the orchard hard by Mr. Butler's window, much to his distress, and on leaving he called this fact to the attention of the farmer's wife, in a mild, academic way.

During the subsequent long New England winter, this thrifty woman began to make plans for the following summer. She remembered Mr. Butler as a kindly, unexacting boarder whose return would be altogether desirable. She also remembered the incident about the hogs and Mr. Butler's remonstrance. Forthwith she sat down and wrote a note somewhat as follows:

"Dear Mr. Butler,

We enjoyed having you with us last summer and we hope you will come back again next summer, and honest-to-goodness, Mr. Butler, there hasn't been a hog around the place since you left." The woman's intention was good, but her execution left something to be desired. She did the right thing, but in the wrong way.

No one can draw up any fixed rules with respect to doing the right thing in the right way. Every situation that involves us in relation to our fellows has certain unique aspects. The occasion and its antecedents, the temper of the other person or persons with whom we are dealing, our own inconsistent selves, all contribute to certain incalculable elements that inform all human relations. In lieu of anything hard and fast like rules, one may contrive certain suggestions gleaned out of experience, that may facilitate a person who is bent on doing the right

thing, and doing it in the right way.

First, let me suggest that a certain mood of caution should mark our demeanor at the point where conscience ripens into action. "God helping me I can do no other." So far so good, but now the important step is to keep God just as much to the front in our consequent deeds, as in our earlier decision. Care and deliberation are necessary to prevent the hasty judgement which can never be unspoken, the careless act which is out of character with the spirit that prompted it.

By all means write that letter to your girl or your boss or your parent, that embodies what you may fairly call, at the moment, righteous indignation, but don't post it until you have slept on it, or better still, until you have let God do a little friendly editing. Much more is at stake than just your own feelings and your own principles. You and I may be wrong, but even when we are reasonably sure that we are right, we must be careful not to jeopardize "rightness" in general, by particular words or deeds that are obviously inconsistent with this high estate. Thus we need to cultivate a quality of caution and care right at the point where conduct follows from some decision we have made. So shall we be in a strong position to do the right thing in the right way.

Being away from home is an experience as old and as universal as the human race. "How shall we sing the Lord's song in a strange land?" is the way a poet once phrased it. In the more familiar language of our daily life, the matter might be put like this: "How shall I stand fast to my convictions without letting my convictions stick out all over me like quills on a porcupine?" The one is the work of a true man, the other the sure sign of a prig. "How shall I dare to be different from my fellows, without presuming to be better than they?" The one is the mark of a genuine character, the other the sure sign of some cherished conceit. "How shall I be altogether true to my own experience of God without seeming intolerant or unfair to any other man's idea of God?" The one is the mark of pure religion: the other is the sure sign of bigotry.

Here again there is no set of rules guaranteed to insure your doing the right thing in the right way. Let me suggest a rule-of-thumb clue that may help. Never let the lines of communication become disrupted between yourself and some other person whose morals or speech or manners you may deplore. A sense of relationship must be maintained at all costs and in all our dealings with other individuals. Stay right in there pitching—not preaching—quietly, good-humoredly and to the best of your ability. The goodness that lies in other folks, sleeping but never dead, will rise and rally to your own.

The role of the reformer is thrust by circumstances on a few persons in history. No one, I believe, should act as though he were born to the estate, or seek in his own right to achieve it. Most of us have a life work on our hands to keep ourselves in shape, let alone trying to cut other people to some preconceived pattern of righteousness. After all, example is the best discourse of righteousness, the right way to disclose the right thing.

And have you observed that the great bastions of collective evil in human history are not always overthrown by frontal attack by the righteous? They are often more vulnerable to indirect, oblique movement by quiet folk who know how to keep their ideals and their tempers as well, how to hate sin, how to cherish and trust human nature, how to speak the truth in love, how to sing the Lord's song in a strange land.

To insure doing the right thing in the right way, all of us will do

well if we take pains to screen out of our conduct just as much personal ambition as we can. Ambition is a very good servant but a very bad master. Ambition gets the mastery when it becomes pride or conceit. The young can usually be trusted to keep ambition unalloyed by selfishness, but we older folk have a real job on our hands to strain out the grit of selfishness in ambition, so that it doesn't foul up our conduct, and our conversation.

I got a beautiful black eye as a child, because I wanted to carry the banner in the Children's Sunday processional in the Harvard Church in Brookline where I grew up. It was a tactical error on my part, to have both hands firmly wrapped around the staff. I was a perfect target for any serious contender. That lesson was immediately learned, but much later I learned another lesson from a wise Frenchman who put the whole matter of ambition in an illuminating way. Said he, "To a child in a game it is a fine thing to carry the flag. It should be enough for a man to know that the flag will be carried." There's homely wisdom for anyone who feels indispensable to some particular enterprise, or who is caught up in a competitive way in some struggle for preferment, or who really has a whole lot to give to the world, but who may be in danger of defacing his gifts by the somewhat brash over-confident manner of his giving.

I once heard the late Justice Oliver Wendell Holmes speak a fine word at a Radcliffe College commencement. Said he, "The root of all joy and beauty is to put all one's powers to a great end, to hammer out as compact and solid a piece of work as one can, to try and make it first rate and to leave it unadvertised." Leave it unadvertised. That's the hallmark of all conduct that is designed to accomplish the right thing in the right way.

Thus far we have been suiting our theme to personal living. It is just as important, in the field of social conduct, to learn how to do the right thing in the right way. For example, we know that war is no solution of international problems. In the momentous days that are upon us as a nation, we must exercise our power with care; we must keep contact with our allies and establish right relations with our erstwhile enemies; we must be willing to abate some of our rights at the instance of our duties. A better world will be built, when there are better men and women to build it—people and groups who have discovered the art of doing the right thing in the right way.

When we read the gospels in the New Testament those brief recollections of Jesus as He was known to His disciples and friends, what arouses our admiration even today is Our Lord's amazing consistency. In Him intention and action, word and deed are finely blended. Motive and example form a kind of seamless robe that still adorns Him. He is just as good as His word. "A good man out of the good treasure of his heart bringeth forth good things." In this sentence Jesus summed up our theme, "Doing the right thing in the right way."

Jesus was very careful to plumb the depths of His own self before He proclaimed a sense of sonship with Almighty God. Jesus was ready to associate with all sorts and kinds of people, though He knew full well what was in man, of glory and shame, of good and evil. Self-righteous folk dubbed Him a glutton and a wine-bibber, the friend of publicans and harlots. But the common people knew better than that. "He is a good man," they said even though they never fully realized all that He was good for. And many of them discovered how contagious genuine goodness is from His glad association with them.

Jesus had no personal ambitions to feed, no pride to nourish. "I am among you as one that serveth." It all adds up to the fact that He went about doing good—in the right way. That's the whole secret of His life—of the Christian life, and it's an open secret to as many of us as have eyes to see and will to possess. May God open our eyes and confirm our wills.

George Bush Presidential Library
Transfer Sheet

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The New York Times — TUESDAY, MAY 10, 1955. — FINANCIAL

'Babe Ruth Story' Given To Bush By Babe Himself

George "Poppy" Bush, of Greenwich captain of the Yale nine, accepted the manuscript of "The Babe Ruth Story" from the Babe himself in pre-game ceremonies in New Haven before the annual Yale-Princeton tilt and then, presumably inspired, proceeded to lead his teammates to a resounding 14-2 victory over the sons of Nassau on Saturday.

The presentation, part of the ceremony featured by Ruth's appearance, took place under cloudy skies as the former home-run king, thinner due to his illness but with much of his oldtime vigor returned, spoke of his earlier days when he visited the Yale diamond and cracked out a home run in an exhibition game.

Captain Bush received the manuscript on behalf of the Yale baseball team and then turned it over to Prof. James T. Babb, University Librarian, who accepted the manuscript and wished Ruth luck. The manuscript will be kept in the Yale University Library. The book has recently been published and is the story of the Babe's life.

Yale Athletic Director Robert J. H. Kiphuth, who also participated in the ceremonies, said, "Mr. Ruth has been and still is the idol of baseball fans everywhere. All of us are familiar with his great accomplishments on the field and now that his playing days are over his accomplishments are as great in boys' work. Babe Ruth has not retired from baseball. He is active with junior baseball throughout the nation."

Proposed for Top Post In New York Bond Club

Hal Phyfe

George H. Walker Jr.

Nomination of George H. Walker Jr. as president of the Bond Club of New York for the coming year was announced yesterday. The election and annual meeting will take place at the Bond Club Field Day on June 3 at the Sleepy Hollow Country Club, Scarborough, N. Y.

Mr. Walker, of G. H. Walker & Co., would succeed Ranald H. MacDonald of Dominick & Dominick. Robert J. Lewis of Estabrook & Co. has been nominated for vice president to succeed Mr. Walker. Blancke Noyes, of Hemphill, Noyes & Co., has been nominated for secretary and Robert A. Powers, of Smith, Barney & Co., for treasurer.

Bush Clippings

PROSPECTS PLEASE DRESSER DIRECTORS

Pleasure at President H. N. Mallon's forecast of $100,000,000 in sales for fiscal 1951 was expressed by four directors of Dresser Industries, Inc., after a board meeting in Dallas Friday. The board was honored at a Hotel Adolphus luncheon attended by prominent Dallas businessmen. Among the directors present were, left to right, Prescott S. Bush, partner, Brown Brothers Harriman, Greenwich, Conn.; Henry P. Isham, Chicago industrialist and banker; William A. McAfee, Cleveland corporation attorney and industrialist; President Mallon, and Norman Chandler, owner and publisher of the Los Angeles Times.

... the price war shows independent service station operators are fighting ... every bit of business, just as New York department stores are doing in their price war.

Sohio Expects '51 Net Of About $5 a Share; Earned $5.30 in 1950

Earnings of Standard Oil Co. of Ohio for 1951 are expected to run between $4.75 and $5 per share, compared with $5.30 a share earned in 1950, according to company estimates.

Clyde Foster, president, and other company officials told the New York Society of Security Analysts Sohio's petroleum product sales in the first four months of this year were 12% ahead of the like period a year ago. Sales for the full year are expected to show approximately the same proportionate gain over 1950, compared with industry as a whole.

Sohio plans to step up its crude oil exploration and development program this year, Mr. Foster said. Expanded drilling operations are planned in the Spraberry field of West Texas, where Sohio has 25,000 to 30,000 acres, and in Saskatchewan, where it has exploratory permits on 8,400,000 acres of Crown lands and 1,600,000 acres under long-term lease with private interests. Other prospective crude oil areas to be explored this year include southern Oklahoma, Wyoming, North Dakota and the Gulf Coast area off Louisiana.

Sohio's crude oil runs to refineries now average 120,000 barrels a day, compared with the 1950 average of 109,000 barrels and the 1949 average of 88,000 barrels.

Management Weak If It Pays Excess Profits Tax for '52, Ruml Says

Group Told Law "Makes Prudent Many Business Activities" Not Otherwise Advisable

From THE WALL STREET JOURNAL *Chicago Bureau*

CHICAGO—Payment of an excess profits tax by a company in 1952 will be a sign of weak management, according to Beardsley Ruml, former chairman of the New York Federal Reserve Bank.

Mr. Ruml told the annual meeting of the Gas Appliance Manufacturers Association that the excess profits tax law created two kinds of money—"cheap earned dollars" and "expensive earned dollars."

Cheap earned dollars, Mr. Ruml explained, are those which will be taxed at excess profits tax rates if not spent. Expensive earned dollars, he said, are those which are taxed at ordinary corporate rates.

The existence of cheap dollars "makes prudent many business activities" that would not otherwise be advisable, Mr. Ruml said. "The excess profits tax is therefore not a burden, but a subsidy. It provides cheap dollars to the profitable and established company, dollars which can and must be used by a responsible management to safeguard and extend the position of such a company," he added.

How to Use Cheap Dollars

He cited ways that business could spend these cheap dollars to advantage. These included research on new products, reorganization of production, testing the products, increased advertising, opening of new branch offices and repair and maintenance of facilities.

Cheap dollars also will permit adequate staffing at the executive level, Mr. Ruml said. He added this would permit lengthening of training periods in anticipation of retirements.

If a company has only expensive dollars to spend, Mr. Ruml said, it is at a serious disadvantage as compared with a competitor which has tax-created dollars at its disposal.

While urging business to spend its cheap dollars to strengthen its position, Mr. Ruml warned against the wasteful use of these funds. Good faith, he said, is required to prevent actions harmful to the national interest. He cited the practice of hoarding skilled labor as "an obvious case of abuse."

The former Reserve Bank official asserted there is nothing evil in avoidance of excess profits taxes. "It is not only proper," he said, "but it is the duty of management to minimize by all lawful means the tax consequences of business decisions."

Opposes Excess Profits Tax

Mr. Ruml said he opposed the excess profits tax because it is not a workable tax system. No tax system will work, he explained, unless it is largely self-enforcing. The average taxpayer, he said, must feel that he is fairly treated. He called the excess profits tax an "evil brew of inequity, exception, exemption and privilege."

Furthermore, he declared, such a tax is "harmful to investment and therefore to the building up of fixed assets necessary to an expanding economy."

Mr. Ruml predicted that the excess profits tax law will not be re-enacted when it expires on July 1, 1953. By that time, however, "many business managers will have found their competitive position substantially improved by reason of the cheap dollars at their disposal."

Scientific Teamwork Reduces Gamble in Oil

By the Associated Press.

ST. LOUIS, April 23.—Teamwork between geologists and geophysicists is taking much of the gamble out of the oil business, Dr. Sigmund Hammer, vice president of the Society of Exploration Geophysicists, said today.

Dr. Hammer, also vice president of the Gulf Research & Development Co. of Pittsburgh, is here for the joint convention of the American Assn. of Petroleum Geologists, the Society of Economic Paleontologists and mineralogists, and the Society of Geophysicists.

He said in an interview that geologists select the area where oil may be found while geophysicists pin-point the spot to start drilling.

Chances for successful wells with geologists alone is about 1 in 10, he declared. With geophysicists the chances are 1 in 6, but with both groups working together are 1 in 5.

The job of finding oil is becoming more difficult, since obvious places already have been developed, Dr. Hammer added. But with scientists stepping up their work "we are doing a little better than keeping ahead of the demands."

In another interview Frederic H. Lahee, research counselor for the Sun Oil Co. of Dallas, said that fears the U.S. may exhaust its natural oil reserves soon are without basis in fact.

Secretary of the Interior Oscar L. Chapman will address the convention tomorrow.

Am anxious to hear about N.D. Hope you gave them some of this play — Hubie

Southland Royalty 1950 Profits Were Second Best in History

Special to The Wall Street Journal

FORT WORTH—Net income of Southland Royalty Co. last year totaled $3,016,446, a gain of $95,811 over 1949. It was second highest in the company's history, being surpassed only by 1948 earnings, and equaled $3.55 per common share, against $3.44 per share in 1949.

Increased net was due in part to boosted oil and gas revenues totaling $5,288,684, compared with $5,080,338 the previous year. The latest total, also, was second only to the 1948 result. Of the combined total, oil revenues amounted to $5,076,193, up from $4,882,297 the year before.

In the company's annual report, F. L. Aurin, president, said net income for the year included income from the "sale of certain properties in Upton County, Tex., and the amount paid the company incident to the communitization of the Crinoidal lime producing part of the Todd pool, Crockett County, Tex." Mr. Aurin said gross income from all sources was $5,624,382, compared with $5,268,889 the previous year.

Net Production Rose

Net crude oil production of the company from both royalties and leases during the year amounted to 2,090,030 barrels, or a daily average of 5,726. In 1949, Mr. Aurin said, Southland's net production equaled 1,991,333 barrels, or an average of 5,456 daily.

"During 1950," Mr. Aurin noted, "the allowable production in Texas was subjected to the same drastic cuts that occurred in 1949. The average net daily production for the month of January, 1950, was 5,027 barrels, whereas, in December, it was 6,037 barrels and in January, 1951, it was 6,394 barrels."

Mr. Aurin asserted additional oil reserves acquired in 1950 have more than replaced the production for that year. He added, however, because of the scarcity and tight situation on oil field tubular goods, "it has been very difficult and in some cases almost impossible for many operators to carry on much of a drilling program. This situation has not only retarded the company's drilling operations, but also the development by other operators of properties in which producing royalty is owned."

As of December 31, Southland owned royalty and mineral interests of 336,025 net royalty acres under 1,653,068 gross acres, an average of slightly under one-fifth royalty interest, the report stated. In addition, it owned 41,550 net lease acres under 94,115 gross acres.

Most New Investments in West Texas

During 1950, total investment in new properties and additional interests in prior acquisitions was $886,988, compared with an investment of $1,140,939 in 1949. This included $484,398 in producing properties, $347,669 in non-producing royalties, and $54,920 in non-producing leases. In addition, $58,698 was expended for undistributed geophysical work. According to Mr. Aurin, most of these investments were made for properties in the West Texas district.

Operating statistics for Southland Royalty Co. for the year ended December 31:

	1950	1949
Producing royalties—		
Gross acres	689,237	684,642
Net acres	156,714	154,144
Number of properties	838	795
Undeveloped royalties—		
Gross acres	584,590	625,528
Net acres	103,280	107,997
Number of properties	642	686
Charged off royalties—		
Gross acres	379,241	352,857
Net acres	76,031	74,171
Number of properties	810	812
Total royalties—		
Gross acres	1,653,068	1,642,537
Net acres	336,025	336,312
Number of properties	2,288	2,293
Producing leases—		
Gross acres	15,069	12,308
Net acres	4,840	4,705
Number of properties	29	23
Undeveloped leases—		
Gross acres	79,045	76,982
Net acres	36,709	34,740
Total leases—		
Gross acres	94,115	89,289
Net acres	41,550	39,445

As of March 1:

	1951	1950
Number oil and gas pools	324	303
Number oil wells	9,466	9,102
Number gas wells	248	244
Total wells	9,714	9,346
Net production (bbls. oil)	2,090,030	1,991,333
Daily av. net production (bbls. oil)	5,726	5,456

Southland Royalty Co. reports for the year ended December 31:

	1950	1949
Earned per share	$3.55	$3.44
Gross revenues	5,376,732	5,255,162
Operating expenses	573,242	608,694
Operating income	4,803,490	4,646,468
Other income	247,650	13,728
Total income	5,051,140	4,660,195
Income charges	82,770	58,587
Prov. for reserve and income tax	1,951,923	1,680,973
Net income	3,016,446	2,920,635
Number of common shares	849,928	849,928

Pan-Am South[illegible]

Oil Firms Pay Large Bonuses for Mineral Leases in West Texas

Special to THE WALL STREET JOURNAL

AUSTIN—Oil companies paid near-record prices for mineral leases on University of Texas lands in west Texas at the auction here.

Bonus payments totaled $5,651,550 on 148 tracts in Andrews, Martin, Crane, Upton, Crockett, Irion, Pecos and Hudspeth counties.

The brisk bidding by more than 200 persons at the auction held by the University Leasing Board indicated a renewed interest in exploratory drilling in west Texas.

Magnolia Petroleum Co. paid $1,280,000 bonus for drilling rights on 2,589 acres in Andrews County, location of several oil fields. The company is required to drill a well to 5,500 feet depth within six months.

Besides bonus, the company agreed to pay one-eighth royalty and $1 an acre rental.

Area – N. Dakota

13 1/3

VOL. 7, NO. 113

Dakota Oil Boom

Amerada Strike Touches Off Rush for Leases in Three States, Manitoba

Big Firms Don't Want to Be Left Out; Grab More Than 50,000 Square Miles

Towns Fight to Be Oil Capital

By JOHN S. COOPER
Staff Correspondent of THE WALL STREET JOURNAL

WILLISTON, N. D.—A fortune teller once told Clarence Iverson that "something good" would happen to him in 1951. A few weeks ago, when Amerada Petroleum Corp. brought in an oil well—testing more than 300 barrels a day—on Mr. Iverson's 680-acre wheat farm, he asserted: "This must be it."

The well, first producer in North Dakota, touched off one of the great leasing "plays" of modern times. In two months since discovery, it has showered "something good" not only on Mr. Iverson's neighbors here in Williams County, but on land owners in all parts of the state and in adjoining sections of Manitoba, Montana and South Dakota as well.

Does it mean the U. S. has another great new petroleum producing area?

Don't Know Yet

Oil men don't know yet. One well doesn't prove anything, they say. And this one is still undergoing tests. But the major companies are taking no chances of being left out. They have leased more than 50,000 square miles in the three states and the Canadian province that overlie the "Williston Basin."

All over North Dakota, long known for its wheat, flax, potatoes, ducks and pheasants, but little in the way of industry, towns are girding themselves for the fight to become the "oil capital of North Dakota."

Bismark (population: 18,000), the state capital, is checking its housing facilities. Says applianceman Guy Larson, president of the Chamber of Commerce: "Our city is right in the center of the Williston Basin. We're going to have more oil than Oklahoma in another five to 10 years, and we've got to get started now to plan for the increased population."

The city fathers of Minot (population: 23,000), another contender for the title, have gone off on a junket to the home offices of all the oil companies now active in the states. They want them to make their headquarters there.

Even Fargo Is in Act

Even Fargo (population: 38,000), way in the eastern part of the state outside the oil area, envisions itself as the oil capital. It figures its location on the Red River might make it a good refining spot.

Williston (population: 7,000) is closest to the discovery well. Right now, it is jam-packed with oilmen and half the private houses in town have boarders. A new hotel, "The Plainsman," is going up, financed by more than 1,000 community-minded citizens of the town. More than 80 new houses will be built this year and the city council is just about ready to throw away plans for a new $500,000 court house—prepared two years ago—and make it "bigger and better."

Amerada, which began prospecting here in 1949, has 300,000 acres under lease in the immediate vicinity of its discovery wildcat and 1,500,000 more elsewhere in the basin. It plans, initially, to drill two more wells, one 12 miles north and the other 65 miles south of its present well this summer.

Shell Oil Co. has leased two million acres in North Dakota, 1,600,000 in South Dakota and 800,000 in Montana. Magnolia Petroleum Co., a Socony-Vacuum subsidiary, holds close to two million acres in both Dakotas, while Stanolind Oil & Gas Corp., a Standard of Indiana unit, has leased 2,500,000 in three states.

Partnership Deals

In a partnership deal, Union Oil Co. of California, Hancock Oil Co. and Signal Oil & Gas Co. have a joint interest in 2,500,000 acres. Another such arrangement is the Carter Oil Co.-Phillips Petroleum Co. interest in 700,000 acres. Continental Oil Co. has leases on 1,500,000 acres in half-interest with Pure Oil Co. and in addition has some 100% leases of its own.

Other companies with big blocks ranging from 900,000 to 125,000 acres each are Atlantic Refining Co., Sinclair Oil Co., Lion Oil Co., Skelly Oil Co. and Mid-Continent Petroleum Co. Also in the area are Gulf, Texas Co., the miles in the three states and the Canadian province that overlie the "Williston Basin."

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Various state and federal bodies also stand to share in the wealth. During the 1930's, nine drought years in a row so depleted the countryside that almost three-fourths of the farmers in the state lost their land, either through mortgage foreclosures, or non-payment of taxes. The Bank of North Dakota, only state-owned bank in the nation, foreclosed thousands of mortgages. Then in the 1940's, when conditions improved and farmers began to buy back their land, the bank withheld 50% of the mineral rights on property it sold.

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The counties, however, still are doing all right. Thousands of dollars of delinquent taxes are pouring in, as farmers discover that the oil companies are choosey about property in jeopardy because of back taxes.

Southwest Business News And Economic Trends

A Daily Report on Industrial Activities and Financial Developments

Sawyer Cites Rapid Amortization as Reason for Current Steel Expansion

From THE WALL STREET JOURNAL St. Louis Bureau

ST. LOUIS—Tax relief in the form of accelerated depreciation is responsible for the present expansion in the steel industry, Secretary of Commerce Charles Sawyer stated here yesterday.

He asserted that, if the certificates of necessity permitting rapid tax write-off of expansion projects over a five-year period had not been granted to steel producers, "there would have been nothing like the increase in capacity which is now taking place."

"If this increase had not occurred," he added, "the shortages which we now suffer would by comparison be mild indeed."

Addressing the Advertising Federation of America meeting, Mr. Sawyer said any tax loss which this program might cause the government will be "negligible."

Taxes to Remain High

"It is clear that unless taxes come down in the future the government will receive ultimately at least as much in taxes as it would have received if the certificates had not been granted," he declared. And it's his belief, he said, taxes will not be reduced in the next few years.

The fact certificates were granted to large concerns, he said, has drawn some criticism. But, he added, "there has been more criticism of certificates that have been granted to small concerns."

He said the amount of amortization costs which the steel industry is being permitted to write off under the accelerated depreciation program averages about 72%.

Mr. Sawyer also defended the National Production Authority's policy of using "dollar-a-year" businessmen. N. P. A. now has 150 of these persons, he said, out of a total of 4,000 employes.

He commented:

"While this policy has been adopted by the National Production Authority because the administrator believed it was vital, I assume complete responsibility for what has been done and support the program without reservation.

Defends Businessman

"It coincides with what I have said over the years—the businessman knows more about how to run his business than a government official."

The government runs the risk, he said, the "dollar-a-year" men might use their positions for private gain. But, he added, the average businessman is honest and "when faced with a chance to take personal advantage of the situation will decide the case against himself."

If any one of these men does "yield to temptation," he said, the man "will be removed promptly and if his conduct has been criminal in any respect I will see that he is prosecuted."

It is very difficult to get these businessmen to accept and remain in these positions, he said. That's because of their aversion to being exposed to the unpleasant aspects of public life, such as "being criticized, ridiculed, and questioned and investigated," he explained.

He told the advertising men critics of advertising "fail to give proper weight to the fact that the economic structure of the U. S. is based upon mass production and mass distribution." These critics also fail to realize advertising is the greatest contributing factor to mass sales, which permit mass production at lower unit cost.

Phillips Petroleum Split Set

Special to THE WALL STREET JOURNAL

BARTLESVILLE—Phillips Petroleum Co. will effect a two-for-one split of its outstanding common stock by issuing to holders of record June 19 one additional share for each share held. The new certificates will be mailed to stockholders July 21.

At the annual meeting April 24, stockholders approved the stock split plan and an increase in authorized common to 20 million shares from 10 million.

The company also announced that holders of its $28,039,400 in 2¾% debentures, due 1975, may convert them into common at $70 a share before June 19 and participate in the stock split. After June 19, the conversion price will be $35 a share.

6/12/51

Dakota Oil Boom

Amerada Strike Touches Off Rush for Leases in Three States, Manitoba

Big Firms Don't Want to Be Left Out; Grab More Than 50,000 Square Miles

Towns Fight to Be Oil Capital

By JOHN S. COOPER
Staff Correspondent of THE WALL STREET JOURNAL

WILLISTON, N. Dak.—A fortune teller once told Clarence Iverson that "something good" would happen to him in 1951. A few weeks ago, when Amerada Petroleum Corp. brought in an oil well—testing more than 300 barrels a day—on Mr. Iverson's 680 acre wheat farm, he asserted: "This must be it."

The well, first producer in North Dakota, touched off one of the great leasing "plays" of modern times. In two months since discovery, it has showered "something good" not only on Mr. Iverson's neighbors here in Williams County, but on land owners in all parts of the state and in adjoining sections of Manitoba, Montana and South Dakota as well. Does it mean the U. S. has another great new petroleum producing area?

Don't Know Yet

Oil men don't know yet. One well doesn't prove anything, they say. And this one is still undergoing tests. But the major companies are taking no chances of being left out. They have leased more than 50,000 square miles in the three states and the Canadian province that overlie the "Williston Basin."

All over North Dakota, long known for its wheat, flax, potatoes, ducks and pheasants, but little in the way of industry, towns are girding themselves for the fight to become the "oil capital of North Dakota."

Bismark (Population: 18,000), the state capital, is checking its housing facilities. Says appliance-man Guy Larson, president of the Chamber of Commerce: "Our city is right in the center of the Williston Basin. We're going to have more oil than Oklahoma in another five to 10 years, and we've got to get started now to plan for the increased population."

The city fathers of Minot (population, 28,000), another contender for the title, have gone off on a junket to the home offices of all the oil companies active now in the state. They want them to make their headquarters there.

Even Fargo Is in Act

Even Fargo (Population: 38,000), way in the eastern part of the state outside the oil area, envisions itself as the oil capital. It figures its location on the Red River might make it a good refining spot.

Williston (population: 7,000) is closest to the discovery well. Right now it is jampacked with oil men and half the private houses in town have boarders. A new hotel, "The Plainsman," is going up, financed by more than 1,000 community-minded citizens of the town. More than 30 new houses will be built this year, and the city council is just about ready to throw away plans for a new $500,000 court house—prepared two years ago—and make it "bigger and better."

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The counties, however, still are doing all right. Thousands of dollars of delinquent taxes are pouring in, as farmers discover that the oil companies are choosey about property in jeopardy because of back taxes. Banks, too, are finding land owners anxious to pay off their mortgages and even prepay them to get the title to their land clear for lease and mineral right sales.

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Watching Two Tests

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4/27/51
The Daily Times Herald, Dallas
7-4

Curbs Slow Building But Contracts Boom

By CLAYTON HICKERSON
Associated Press Staff Writer

Twin bugaboos of material shortages and federal restrictions slowed some actual construction in Texas as spring began, but a boom continued in contract awards.

Ernest L. Tutt, director of the Dallas regional office of the National Production Authority, said his office was turning down about half the building applications it processed.

Simultaneously, certificates of necessity were awarded to firms wanting to build millions of dollars worth of plants, geared to the defense industry, in the state. The certificates went to plants and developments or expansions ranging from a $78,365,278 aluminum plant at Corpus Christi to a $25,000 scrap iron job at Houston.

Tax Deduction Speeded.

The certificates authorized the holders to deduct from taxable income from 40 to 100 per cent of the cost of the facilities during the next five years.

Tutt said his regional NPA office at Dallas processed building applications only for construction costing less than $1,000,000 or involving 50 tons or less of steel. Applications for larger projects are forwarded to Washington.

Meanwhile, Texas building contract awards kept pace with the golden rate of 1950, the state's first billion - dollar construction year. Defense construction zoomed the cumulative total in the third week in April to the $431,991,425 mark.

Contractors thought, however, that the pace of building would be much faster if shortages and federal restrictions did not interfere. Amusement projects, for instance, were strictly banned.

Banned projects were in the "peanuts" class compared with the gigantic industry reflected in DPA's listing of certificates of necessity.

Texas Total 396.

Of 396 announced for a month's period ending April 6, 28 were from Texas. The huge aluminum plant set for Corpus Christi was the second largest project approved. An aluminum pig and bauxite plant in the northwest was the largest, costing $95,000,000.

Most of the Texas plants in the DPA list were for chemical manufacture and petroleum products.

Dallas contractors blamed restrictions and shortages when permits there fell below $2,000,000 for the third consecutive week. They said seven of 10 Dallas school projects would be delayed beyond the fall opening of school due to shortages of steel and tile.

Other Dallas building, extensive though it was, apparently went along on schedule except for minor shortages. Gyp board for residential construction continued scarce.

Delays could come in school con- [illegible] Supt. C. O. mit totals were barely under year-ago figures at $4,536,342 through March. The University of Texas completed a new experimental science building, had journalism and classroom buildings on the way. A city power plant was near completion, several school buildings were on the drawing boards, and Supt. of Schools Irby Carruth said he saw no difficulties ahead.

Austin also had a 18-story building going up, a new insurance building, and spacious lay-outs for the Texas State Teachers Assn. and the Texas State Medical Assn. were under construction, reportedly on schedule.

Business — Oil — Finance — Industry

Business News

8—4 THE DAILY TIMES HERALD, DALLAS APRIL 27, 1951 ★

—The Times Herald Staff Photo

DALLAS' ADVANTAGES influenced Dresser Industries, Inc., to move to the Southwest from Cleveland, Ohio, these members of the company's executive committee agreed before their first board meeting in Dallas. They are, left to right, seated, H. N. Mallon, president of Dresser; Prescott S. Bush, director; rear, Henry P. Isham, director; William A. McAfee, director, and J., B. O'Connor, executive vice-president.

Business Mirror

Higher Taxes Drag At Profit Coattails

By SAM DAWSON

New York, April 27 (AP). — Higher taxes drag at the coattails of industrial profits this year. But record sales volume still pulls earnings one-fourth higher than a year ago on the average.

months of 1950, and 63 with larger profits.

Showings of individual companies vary widely within industries. Some firms report the biggest profits of any first quarter in their history. Others drop behind the trend of their industry as a whole.

Steel is a good example. The two largest companies report [illegible] than

Dallas Industry Potential Rated Third Realized

Dallas barely has reached one-third of its future industrial expansion, a leading Chicago industrialist declared here Friday.

In fact, Dallas is growing as rapidly as Chicago did between 1850 and 1920, Henry P. Isham, member of the board of the Dresser Industries, Inc., declared in an interview.

Mr. Isham arrived in Dallas Thursday to attend the annual meeting of Dresser Industries directors Friday. The program for the luncheon of the board, which will inaugurates the meeting included an address by Mr. Isham. The meeting is the first to be held in Dallas by the Dresser board since the large industrial concern moved its headquarters to Dallas from Cleveland in May, 1950.

Chicago was America's fastest growing industrial city during the last half of the 19th century, slacked off between 1942 and 1946, and is now expanding again, Mr. Isham said.

Dallas is going through a similar expansion and is only about one-third through growing, said Mr. Isham, who is also president of Clearing Industrial District, Inc., Chicago.

Prescott S. Bush, Greenwich, Conn., partner of Brown Bros., New York, is another board member who likes Texas.

"When our son, George Bush, decided to move to Midland, form the Bush-Overby lease and trading partnership, at least we could offer no objection," he laughed.

Mr. Bush barely missed election to the Senate from Connecticut at the last congressional election and plans to run again next time on the Republican ticket.

And of all places in the Southwest, Dallas offered the most, in the opinion of H. N. Mallon, president of Dresser.

Mr. Isham said that three areas of growth are now conspicuous in the United States—the Southeast, Northwest and the Southwest.

The Friday luncheon was held to acquaint leading Dallas businessmen and civic leaders with the management of the newcomer firm.

Dresser does an approximate $100,000,000 business yearly in the manufacture of oil and gas equipment, through subsidiary firm.

"Dresser's volume will be sustained or increased in 1951 as compared with 1950," President Mallon said in his annual report recently.

Buick To Build Big Chicago Plant

Chicago Tribune Service

Chicago, April 27.—The Buick Motor Division of General Motors Corp. will build a huge new plant near here for the assembly of Wright J-65 Sapphire jet aircraft engines, it was learned today. The plant will cost several million dollars and will contain

FRED G. GURLEY
Santa Fe President.

Santa Fe Board, Officers Feted As Dallas Guests

Officers and directors of the Santa Fe Railway System, led by President Fred G. Gurley, Friday arrived in Dallas for a visit, during which they were to be honored at a luncheon by the Dallas Chamber of Commerce.

The visit here was a part of an annual inspection tour over the Santa Fe lines in Texas. The group will be honored at a dinner Friday evening at Fort Worth. Other points to be visited include Galveston, Houston, Beaumont, Somerville and Cleburne.

Mayor Wallace H. Savage was to welcome the group to Dallas at the luncheon Friday at the Baker Hotel. Principal speakers were to be John W. Carpenter, president of the Dallas Chamber of Commerce, and Mr. Gurley, president of the Atchison, Topeka and Santa Fe Railway and the Gulf, Colorado and Santa Fe Railway.

Textile Leader Hits U. S. Policy

Special to The Times Herald

Atlanta, April 27.—A leading cotton manufacturer has warned that the government's "double standard" in its pricing and wage-fixing policy is gravely endangering the country's sorely needed industrial production.

Norman E. Elsas, chairman of the board of the Fulton Bag & Cotton Mills, said that the cotton textile industry, considered second in importance only to steel, is being subjected to two pressures.

The first "is the inflationary pressure of wage increases in defense and other industries due in large part to situations created by the government itself through a setting of artificial wage scales in defense plants," he said.

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