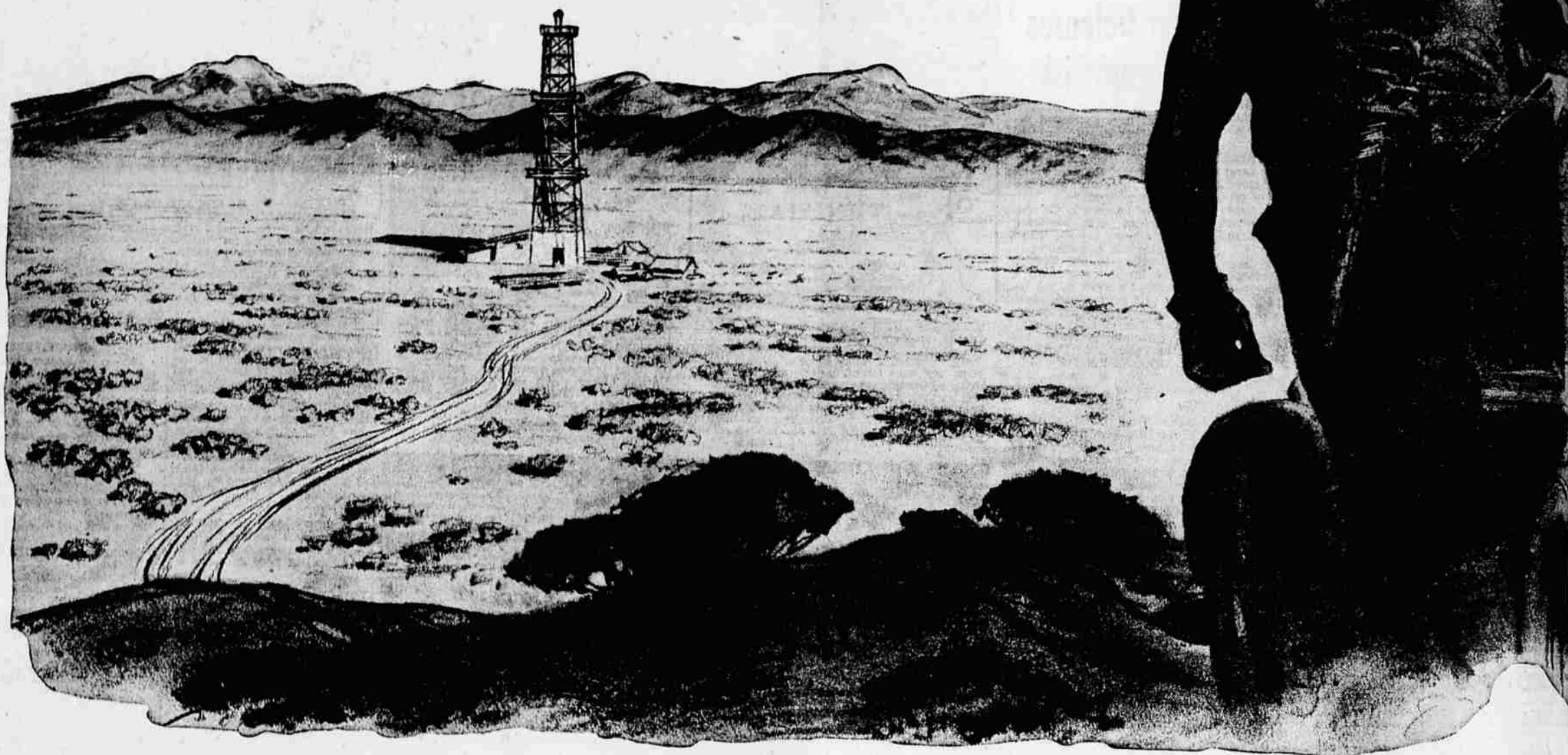


How to drill an oil well for \$208!



1. The average oil well, drilled by Union Oil Company in California, costs \$65,888. If you were to divide that expense between two men, it would cost them \$32,944 apiece. But if you divide it among 31,652 people, as we do, the average cost to each person is only \$2.08.



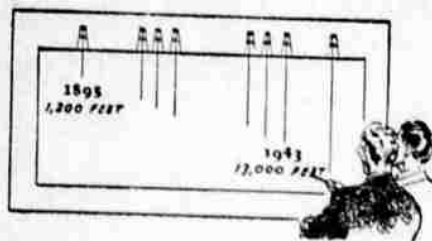
2. For the Union Oil Company is owned not by one man, or two, but by 31,652 Western men and women. In this principle of *multiple ownership* you have the secret of America's amazing ability to produce more goods (at lower prices) than any other nation on earth.



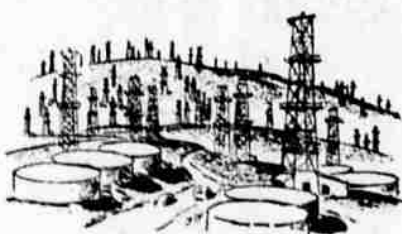
3. Multiple ownership has made our kind of peacetime living, and our kind of war production, possible. Here's why. In the old days, when everything from shoes to rifles was made by hand, almost any business could be financed and operated by one man.



4. But with the advent of the machine age, many businesses began to require more money (for plants, machinery, research, etc.) than any one man could put up. In the early 1890's, for example, you could drill an oil well in the California fields for about \$2,500.



5. Today, because we go so much deeper and use such expensive equipment, it costs almost 26 times as much. There aren't very many men who can finance that kind of drilling single-handed. For out of 169 exploratory wells drilled by the industry in California last year, only 3 proved of any importance.



6. But under our system of Free Enterprise we Americans have been able to pool the money and the talents of a lot of people under a legal agreement known as a corporation. That way, we can tackle a job collectively that we could never handle alone.



7. If we're going to start a farm or a drug store, or a machine shop we still do it single-handed. But if we're going to make something like steel, gasoline, light bulbs, automobiles, refrigerators, house paint, window panes, bathroom fixtures, etc., we get other people to go in with us.



8. As a result, we've been able to achieve the highest standard of living, and the greatest war production in the world. *Multiple ownership* is not the only phase of our Free Enterprise system that has made this possible. But it's so important, that without it, our American way of life could never have been.

The company that became Union Oil was founded in 1886 out of the personal savings of nine Santa Paula, California business men.

Today, it is owned by 31,652 people, most of whom live right here in the West—3,628 in San Francisco, 434 in Seattle, 7 in Grant's Pass, Oregon, 274 in San Diego, etc.

The Company's profits which, in 1942, amounted to 3.8% on capital invested, are shared among these people.

Last year this net profit amounted to \$174.94 per stockholder. Of this sum, \$147.42 was paid out in dividends—\$27.52 was left in the business.

In return for these profits, the 31,652 owners have financed the tank ships, oil wells, refineries and service stations that make Union Oil's operations possible.

This is the story of most American corporations. By pooling the money and talents of a lot of people, we are able to do a job collectively that we could never do alone.

UNION OIL COMPANY OF CALIFORNIA

AMERICA'S FIFTH FREEDOM IS FREE ENTERPRISE

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 * Union Oil Company, is dedicated to a
 * discussion of how and why American busi-
 * ness functions. We hope you'll feel free
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 * Union Oil Company, Union Oil Building,
 * Los Angeles, California.
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