

Copy: Dr. Graham Edgar
Dr. R. A. Kehos
Mr. Harry Kaley
Mr. T. E. Ronan
Mr. E. J. Gresslin

ETHYL GASOLINE CORPORATION

MANUFACTURING AND TRAFFIC DEPARTMENT

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CORRESPONDENCE

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July 1, 1936

Memorandum: Mr. J. C. Gonzalez

I acknowledge with thanks receipt of your various letters in connection with Sinclair's Order No. 48245, covering their blanket requirements of Fluid for the balance of the year 1936.

As we understand the situation Sinclair wish to make all deliveries of drum Fluid to Houston, using this as an intermediary point, and then from that point requisition out carload shipments to Coffeyville, Argentine, Parco, and Sand Springs.

It would be assumed, of course, that they would then have direct supervision of the reforwarding and that our knowledge of these movements would be solely after the fact, when they would report the disposition of drums from their Houston Terminal.

I note copy of Harry Kaley's letter to T. E. Ronan asking him to make a survey at Houston so that we may have a complete picture of unloading facilities, arrangement of railroad siding, storage space, etc., which we believe is quite essential and, furthermore, which we believe should be fully determined before we agree to such a plan with Sinclair.

Accordingly, I would suggest that, pending the receipt of a report from the Tulsa office, we continue shipments to Sinclair under the usual plan; that is, whenever there is a shipment for any of their direct points we be furnished with specific information as to destination and make the necessary arrangements for the shipment to go to that point in the customary fashion.

From a record of Sinclair's drum requirements, frankly, we do not feel that it is necessary to deviate from our present plan. The change seems to be a step in the wrong direction as it certainly places shipments of drums of Fluid in hands somewhat further beyond our control than as at present. If we should do anything, we should attempt to make a change for the better rather than for the worse.

The following is an approximation of drum shipments on an annual basis to Sinclair:

Houston	1800
Argentine	600
Coffeyville	400
Parco	300
Sand Springs	300
Total	3400

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Mr. J. C. Gonzalez
July 1, 1936

This means approximately 15 carloads per year to Argentine, 10 to Coffeyville, and 8 each to Parco and Sand Springs. Isn't this enough volume, with a little more careful planning on the part of the refinery points, to warrant our continuing to ship drums consigned direct to destination, even though they might go via Houston?

Furthermore, there is at least one boat sailing per week from Sinclair's Marcus Hook Refinery, and particularly during the summer season, they average from two to three. Each boat can handle conveniently as forward deck stowage 88 drums which is a sufficient quantity to allow at least 44 drums to be consigned to any of the inland points as carload, and the balance to Houston. The load on deck forward is the most convenient because of ship's boom equipment. There is, however, aft-deck space to accommodate additional 150 drums, the only condition to be observed is that a land boom must be available for unloading because the aft space is not so equipped as ship's equipment, but certainly there would be times when this additional space could be utilized as an emergency provided Sinclair would be willing to supply the necessary equipment at their terminal for proper unloading, or arrange for unloading at sufficient tide level where the drums could be rolled from deck to shore.

To repeat then, once again, our opinion, we do not think we should take a step in a backward direction in regard to the handling of drums, as Sinclair's new plan does not present as good a situation as the one which has been in effect up to this time, and secondly, in view of their volume of business, we think the proposed plan is unnecessary. Furthermore, in the recording of the disposition of all our ETHYL containers and the policing of these with regard to their proper return, our work for this business would be doubled were we to use the proposed plan.

Also regardless of what plan might eventually be worked out for Sinclair, I think we should incorporate its handling in line with the recent report we sent you in regard to having a full time inspector located at Houston, who would supervise the re-loading of the drums into box cars in the approved fashion, supply the necessary placards for the inside and outside of the car in accordance with Interstate Commerce Commission's regulations and our own Medical Department rules such as to what to do in case of a spill in a car, the notice to carrier signs, etc.. With about forty to fifty cars out of Houston for Sinclair's business alone a year, or nearly one car per week, there almost seems justification for an inspector to be there for this case alone and when we add to it other shipments as outlined in our previous report we are firmly convinced that we should take some action as soon as possible. This is entirely too much volume of business to be moving around Houston without our direct supervision.

I might add that I have talked at length with Dr. Kehoe on the question of transportation supervisors to be located at Houston and Los Angeles and he concurs fully with our views and recommendations as outlined to you.

I understand from my telephone conversation with you that we have more or less committed ourselves to Sinclair for the new plan. If agreeable to you, let us withdraw our agreement until we have this matter fully investigated and a better procedure established, as I do not think we can afford to take any risks. As to future policy in cases of this kind, may I suggest that all parties concerned be given the right of an expression of opinion before we definitely go into any arrangements; please do not take this as any criticism of what has happened in the past but merely as a view more conducive of bettering our transportation situation.

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Meanwhile, we have a shipment of 66 drums clearing from Marcus Hook on Thursday and we would like to have a definite line-up for the disposition of these drums, possibly consigning 44 to an inland point and the balance to Houston, or any other direct definite consignment as the case may require, all done in accordance with the plan we have been following to this time.

J. H. Schaefer

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