ESSO FLEET NEWS

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# Company Announces Plans for Fleet Operating Economies

*The following is a statement of Company plans to reduce costs in order to "remain competitive and stay in the business of transporting oil by tanker" made by Joseph Andreae, Assistant General Manager, Marine Division.*

The American Merchant Marine is facing one of the most critical times in its entire history. Government, union, shipbuilding and repair, shipowning and other interests have indicated they are concerned about its future. The problem, in its simplest terms, is that the cost of building ships in this country and the cost of manning them at prevailing American seafaring wages is such that we can not compete with operation under other flags.

The American flag tanker has by law the exclusive right to coastwise trade and certain offshore cargoes. Even so, the plight of the American tanker is today more precarious than other U. S. flag shipping. It can not compete in foreign trade with ships of other nations. The major portion of U. S. flag tankers trade between ports on the Gulf of Mexico and the East Coast. Now even this trade is in jeopardy because nine major oil companies have announced their decision to build a high-capacity petroleum products pipeline from Texas to New York.

Your company, Humble Oil & Refining Company, is *not* a participating owner in this line. It is Humble's intention to service Eastern Seaboard points of consumption by owned tankers so long as this continues to be economically feasible. This requires two things, namely; continuity of supply and costs competitive with other means of transportation. Continuity of supply means that our ships must operate efficiently and without interruption. The independent unions in our fleet have contributed to this by working cooperatively to solve mutual problems. On the cost side we must have a modern fleet operating as economically as possible. We believe we can best do this in the following ways. First, we would continue to improve our fleet by providing equipment which would enable the seagoing personnel to perform their jobs at maximum efficiency. Second, we would modernize the fleet by retiring the remaining three T-2 vessels within the next year. These ships are surplus to our requirements and are costly because of their size and age. The fleet would then consist of modern vessels from 27,000 dwt. up to 49,000 dwt. and, moreover, we are actively considering the possibility of building even larger vessels of a simplified design. Third, in order to reduce the cost of manning, we would reduce the crew complement by seven unlicensed men per vessel on the smaller ships and nine men on the six larger ones. It is not the intention that the remaining men would do more work. Through various means work would be eliminated and redistributed.

The retirement of the three small ships and the reduction in crew complement would result in a sizable surplus in the ranks of our seafarers. We are prepared to discuss with representatives of employee groups, the terms under which the surplus could be dealt with. Generous allowances in the form of early retirement, or severance pay for those not eligible for early retirement, are included in our thinking.

We feel this is a necessary and realistic step in our effort to remain competitive and stay in the business of transporting oil by tanker. The problem we face is one that is common to all tanker owners and their problems will be even greater than ours because in many cases they are participants in the new pipeline and they will undoubtedly have surplus vessels to be disposed of.

The plans outlined have been given very careful consideration and it is hoped that all concerned in the seagoing employee ranks will do the same. We honestly expect that when this program is implemented the result will be an efficient tanker fleet that will be competitive in every way for a long time to come.

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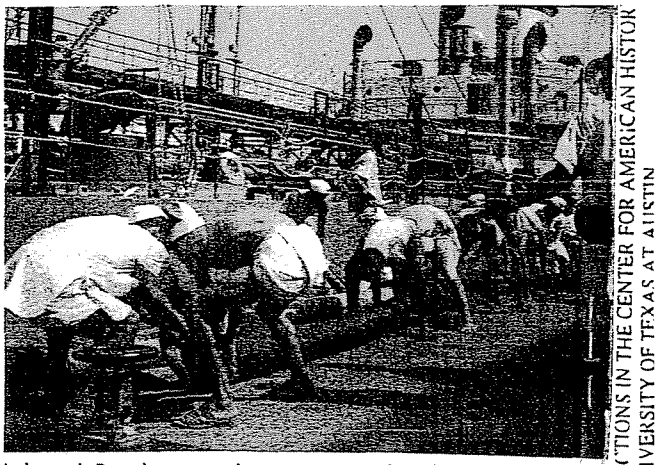
*Esso Scranton* being eased alongside Alexandra Docks, Bombay, June 3, to discharge part of her lube oil cargo. Previously, 9,823 bbls. of hexane were delivered at Butcher Island, off Bombay harbor.



(above) Bombay workmen connecting hose at the dock and (below) discharging from ship to tank trucks, four at a time. There appears to have been no lack of "supervisory personnel".

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# Esso Scranton Completes India Voyage, Starts Another

The good ship *Esso Scranton* (Captain Bernard Roberts and Chief Engineer Thomas J. Bov) steamed into Jacksonville harbor Aug. 2, completing a 104-day voyage totaling more than 25,000 miles. The odyssey began on April 20 when she sailed from Baytown with a parcel of hexane and 10 grades of lube oil totaling 108,000 bbls.

After bunkering at Freeport and putting in to Cadiz, Spain for minor repairs, the *Scranton* transited the Suez Canal May 18 and arrived at Bombay on the 28th. There she discharged the hexane and 72,518 bbls. of lube oil. She left June 12 for Calcutta, a sea run of 1,991 miles, where the balance of the cargo was delivered, June 13-16.

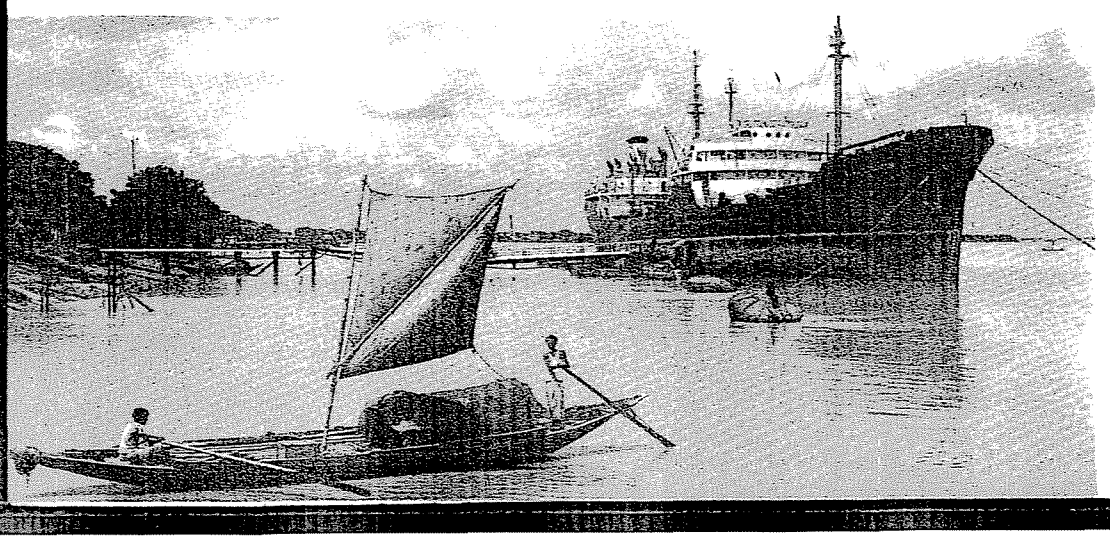
Incidentally, the Bombay office of Esso Standard Eastern, Inc., wrote that the lube oils were received without water contamination (also the *Esso Jacksonville's* at Bombay) and that "the Masters and other members of the vessels' staff were very cooperative in arranging bulk cargo discharge".

Returning, the *Scranton* sailed in ballast to Bahrein in the Persian Gulf, loaded 117,000 bbls. of diesel oil for Donges, France (discharged July 19-21) and then home.

A variety of weather was encountered — northwest gales and heavy, rough seas for four days on the outward transatlantic crossing, heavy seas from Cadiz to Port Said and moderate winds and seas on the runs to the Indian ports. Moderate to gentle winds and seas prevailed for most of the return trip.

Speaking of return trips — the *Scranton* is making another voyage to India. Her schedule is to sail from Baytown Aug. 25, bunker at Aden Sept. 20 and discharge at Karachi, Pakistan on Sept. 26, Bombay the 30th and Calcutta Oct. 12. Captain Earl E. Walker will be in command and William L. Kelly, Chief Engineer.

When the *Esso Scranton* docked at Jackson-



The *Scranton* discharging the balance of her cargo at Budge Budge on the River Houghly, near Calcutta.

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ville, everyone aboard except Captain Roberts and Chief Mate Robert H. Stotts went ashore for 60, 70, 80 and as high as 95 days' paid leave. That last figure is for Chief Engineer Bov, who is off on another trip, this time for pleasure, to Hawaii, Japan, Malay States, Australia and other Far Eastern points. No moss on that fellow.

## TAFFRAIL TALK

Neal J. Brower, son of Third Mate Jean S. Brower (ex *Esso Jamestown*) has been granted a Walter C. Teagle Scholarship to attend Massachusetts Institute of Technology. Mr. Brower graduated from St. Peter's High School, Staten Island, with high honors in mathematics, chemistry and physics, including five other scholarship offers.

Richard T. Froyen, son of Captain Lars Froyen, of the New York Harbor tug *Esso New Jersey*, has also received a Teagle Scholarship to Cornell University.

* * *

Mrs. Sally Schlarb, wife of Earle J. Schlarb, Radio Officer in the *Esso Jacksonville*, writes that she received a letter from her husband via the "Singapore Strait Mail Buoy" (FLEET NEWS, Aug. 9) and that she had written to the men who picked up the buoy to thank them and enclose a token of appreciation.

* * *

On Aug. 13 the *Esso Lexington* (Captain Arthur H. Lankford and Chief Engineer William W. McKay) on a voyage from Mobile to Charleston, radioed: "Had disabled ketch *Sea Fever* with eight persons aboard in tow from 0343 to 1008. Relieved of tow by Coast Guard vessel 95313."

The 52′ ketch, enroute from Florida to New York, got into trouble Aug. 12 when sails ripped in a storm off Jacksonville and about 50 gal. of gasoline leaked into the bilge. The owner, Howard Petith, said that several ships passed during the night but none stopped until the *Esso Lexington* came by. The Coast Guard cutter towed the yacht into Charleston.

* * *

Esso Seamen's Association members voted by secret ballot to approve the Company's proposed twice-a-month payroll system by a margin of better than 8 to 1. Although the Ships' Payroll and Seagoing Personnel sections are "up to their ears" (or higher) in preparations for the changeover, it is expected that the first pay period under the new system will be Sept. 1-15 and draw checks will be mailed in time to be received on the latter date.

* * *

Shortly after the end of the year, the Thrift Plan Accounting Office will mail statements to members who have, or had, loans during the year. Statements will show the amount of interest paid on the loans, which should be a help in preparing income tax returns. Many men in the fleet have requested this information.

* * *

During her recent repair period the *Esso Baltimore* was equipped with a new stern tube sealing system. Instead of a water-lubricated lignum vitae bearing, the *Baltimore* now has an oil lubricated, babbitted bearing that, it is expected, might reduce friction enough to add another revolution or two with the same power or reduce fuel consumption 3 to 3½%.

ESSO FLEET NEWS is published for the seagoing employees of the Marine Division, Humble Oil & Refining Co.: J. D. Rogers, General Manager; Joseph Andreae, Assistant General Manager; Sydney Wire, Assistant General Manager.

W. E. Gardner, Editor.

Contributions and suggestions are invited and should be addressed to The Editor, ESSO FLEET NEWS, Humble Oil & Refining Co., P. O. Box 1512, Houston 1, Texas.

*The MIS-Adventures of*

## J. STUMBLEPRONE MC FRACTURE

This time, J. Stumbleprone slipped on the edge of a feed pump platform and gave his shinbone a real dirty dig. Why? For one thing, the platform is about 2½′ above the engineroom floor plates. For another, J. S. is not quite as spry as he used to be. (Who is?) Which gets to the point of this piece — as we come closer to being an old goat than a young kid, we must rely more on head work than foot work to stay healthy.




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## Economy-Type Tanker Proposed To Combat Pipeline Competition

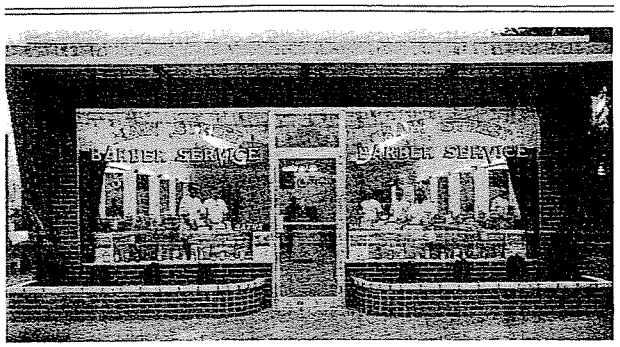
In a letter to the U. S. Maritime Administrator early this month, Edwin M. Hood, President of the Shipbuilders Council of America, suggested that the Government agency consider the construction of a semi-automated, economy class tanker to compete with the Colonial Pipeline, now being built. (As previously mentioned, Humble is not one of the nine oil companies participating in the ownership of Colonial.)

Mr. Hood said that the equivalent of 51 T2 tankers will be displaced when the pipeline starts operating from the Gulf to East Coast. He based this prediction on the 600,000 bbls. per day initial thruput of refined products planned for the line.

Quoting from a special study made for the Council by a management consulting firm, Mr. Hood noted, however, that ". . . the future outlook for tanker transportation indicates some promising possibilities. Costs, and hence rates, of tanker operations may be divided into two approximately equal parts: (1) costs associated with the investment and (2) operating costs, such as fuel, crews and other expenses. Improvements in both areas appear likely in the near future, thereby strengthening the competitive position of tankers."

The "improvements" referred to are mainly proposed tankers of 50,000 to 60,000 dwt., built to simplified designs, with semi-automated equipment and requiring fewer crew members and a consequent reduction in crew quarters.

"The combined effect of these expected economies," the report stated, "would presumably reduce (tanker) . . . rates to a level very competitive with oil pipeline rates."




This is the deluxe air conditioned barber shop owned and operated by Thomas H. Gilreath, who sailed as Messman and Second Cook in the fleet from 1950-58 and is a brother-in-law of Oscar Garcia, UM, *Esso Baltimore*. Located in North Wilkesboro, N. C., the building and adjoining parking lot were designed by Mr. Gilreath. He went to school in Winston Salem, N. C. to become a master barber, started with five men in his shop, now has eight.



Melvin J. Erb, AB in the *Esso Baltimore*, has an attractive handmade end table here, a variation of the popular shipboard hobby of inlaying matchsticks. On the frame, a discarded rope reel with squared bottom end, Mel glued thousands of burnt kitchen-size matches (12 boxes of them, to be exact). He then sanded the surfaces and put on four or five coats of a clear plastic finish. The result is a handsome piece of furniture — and it can be disassembled. In spite of this being his first attempt, the project was completed in about three weeks' spare time.

Mel has more than 14 years of continuous service in the fleet. His home — in Westminster, Md., 51 miles northwest of Baltimore — is a ranch style house on a third of an acre. He and his wife, Veronica, have two sons, Ronald, 4½ and Dale, 3.

## RECENT RETIREMENTS



OILER PAUL R. HEMPHILL. Years ago, Mr. Hemphill was in the banking business and he has never lost interest in finance. So, watching the stock market and particularly "J", the Standard Oil Company (N. J.) symbol on the ticker tape, will be one of his activities after retirement, Aug. 1. Another will be keeping his house and lawn at Somers Point, N. J. trim and tidy.

Mr. Hemphill served in the fleet for more than 19 years. He never missed a ship and was never "invited" to appear before the Personnel Relations Committee. He started as Wiper in the *George W. Barnes* on March 19, 1943, also made wartime voyages in five other vessels, and three times was incorrectly reported lost at sea. With few exceptions, he sailed as Oiler from Oct. 1946 until he left his last ship, the *Esso Bermuda*, two months ago.

Mr. Hemphill and his wife, Anna, have three children, Elizabeth Ann, Carl and Judith. Judy is a senior at Cornell University under a Teagle Scholarship.

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