ESSO FLEET NEWS

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The Pressure to Do Better

This week representatives of the Esso Seamen's Association, the Esso Steward's Organization and the Company have been meeting to talk about manning the new 66,700-ton ships. These vessels, while not as highly automated as some of the new freighters that are now coming off the ways, do have automatic, maintenance and labor-saving features that will permit efficient operation with a smaller crew.

There are good reasons for U. S. Flag cargo ships engaged in foreign trade to go in for automation. Outside of the desire for efficiency and economy, there is the fact that they compete with foreign-flag tonnage operating with much lower crew wage costs. So, if crew complements are reduced, so is the spread between U. S. and foreign operating costs, even if foreign owners go in for automation, too.

In our business we do not compete with foreign-flag vessels but we do compete with other tanker operators and with pipelines and barges. This is reason enough to reduce costs wherever possible but there is yet another reason. Not only are we competing among ourselves but we are competing against other forms of energy.

Dr. Richard J. Gonzalez, a Director of Humble and a highly respected economist, described this competitive position of the petroleum industry in an address, June 16, before the Rocky Mountain Petroleum Economics Institute, at Boulder, Colorado.

Speaking on "Competitive Forces Affecting Fuel Uses and Prices," Dr. Gonzalez said that oil prices are back to the levels of 10 years ago. Our costs have gone up, our investments are heavier and other forces tend to raise the cost of doing business.

Many in the industry thought as costs increased, prices would increase. This has not happened. In expaining why is has not happened, Dr. Gonzalez said that "for many years, demand for petroleum products in the United States increased at a rate of 5% or better compounded annually. This favorable growth rate through 1956 resulted from rapid expansion in the use of automotive transportation and from the popularity of central heating with oil in place of coal. Since then, however, the gain in demand has averaged less than 3% a year . . . In essence, demand has increased only about half as much as many people expected and planned for back in 1956." As a consequence, the capacity to produce oil has been increased tremendously so that we have more oil than today's market can absorb.

"Developments in natural gas also contributed to the lower growth rate for petroleum products and crude oil," Dr. Gonzalez continued. "Improved pipeline transportation for gas, the availability of abundant supplies at attractive prices, and a rising level of family income combined to cause a sharp rise in the use of gas for home heating . . . Gas gained business relative to oil in industrial uses as well, often on a price basis.

"The coal industry has greatly improved its competitive position in recent years. Through strip mining and mechanization of underground operations, the output of coal per man-hour has doubled in less than 10 years. Despite the capital costs involved in this change and higher rates of pay, the coal industry has been able to reduce its selling prices and still realize higher profits.

"A second major advance by coal has been the reduction in transportation costs. A coal slurry (coal and water mixture) pipeline has proved that low costs could be attained in moving large volumes steadily. Also, railroads began to transport coal with trains devoted solely to that purpose at much lower rates.

"Coal supplies about two-thirds of the fossil fuels used by electric utilities and therefore stands to gain from the rapid rate of growth in this market. Electric power generation is by far the fastest growing consumer and supplier of energy in the United States. Many utilities are doubling their output in less than 10 years."

Dr. Gonzalez said that the chief conclusion from his brief review of the forces at work in

the production and use of energy is that a highly competitive situation exists and will continue. This does not mean that the oil industry will curl up and die. The oil and gas industry has a lot of forcefulness, a lot of promising potential and a lot of initiative. The future depends on what we will be able to do. We can determine more than we realize when the chips are down — and the chips *are* down. We *must* do better and we *can* do better.

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To a man in a tanker running between the Gulf and the East Coast, this is quite a broad economic picture in which to see himself. But he is there. He is an integral part of the petroleum industry and what affects the industry affects him. Conversely, too, the better he can do, the more his influence is felt in making Humble a more effective competitor against all comers.

Masters and Chief Engineers To Attend Conferences in Houston

A pair of 2-day conferences between permanent Masters and Chief Engineers and Marine Division management are to be held in the Humble Building, Houston, on Oct. 5 and 6 and 15 and 16.

The general purpose of the conferences is to discuss subjects of mutual interest in order to develop better understanding between the seagoing and shoreside points of view. "In other words," W. F. Robinson, Acting Manager of the Operations Dept. said, "we would like to give the Masters and Chiefs a 'headquarters picture' of our operations and receive first hand reports from them on their problems and successes."

Mr. Robinson, who will serve as conference chairman, also said that it is planned to have combined sessions on subjects of general interest and separated group discussions on Deck and Engine topics under the direction of Port Captain F. L. Hooper and Port Engineer T. J. McTaggart.

Co. Offers to Relieve Esso Scranton Crew

A radiogram offering to relieve officers and crew members who have seen enough of the "blue Mediterranean" was sent to the *Esso Scranton* on Sept. 11. The offer was conditioned upon the likelihood of an additional charter for 11 more Sidon-Bizerte voyages, which would keep the vessel in that trade until about Jan. 8. If the charter does not materialize, the *Scranton* will probably head for home early in October. "If additional charter develops," the Company's radiogram stated, "will relieve by late October or sooner officers and crew members, if any, who desire relief prior to vessel's return to United States."

The *Esso Scranton* left Baton Rouge on April 27, discharged at Bombay and Calcutta in June and loaded at Ras Tanura, July 1 for discharge at Bizerte, July 18. Since then she has been carrying crude from Sidon, Lebanon to Bizerte, Tunisia on a 9-day turnaround.

Our First 66,700-dwt. Tanker To Be Launched Sept. 26

The *Esso Houston* — Humble's answer to the Colonial Pipeline — will be launched Sept. 26 by the Newport News Shipbuilding & Dry Dock Co. Mrs. Carl E. Reistle, Jr., wife of the Chairman

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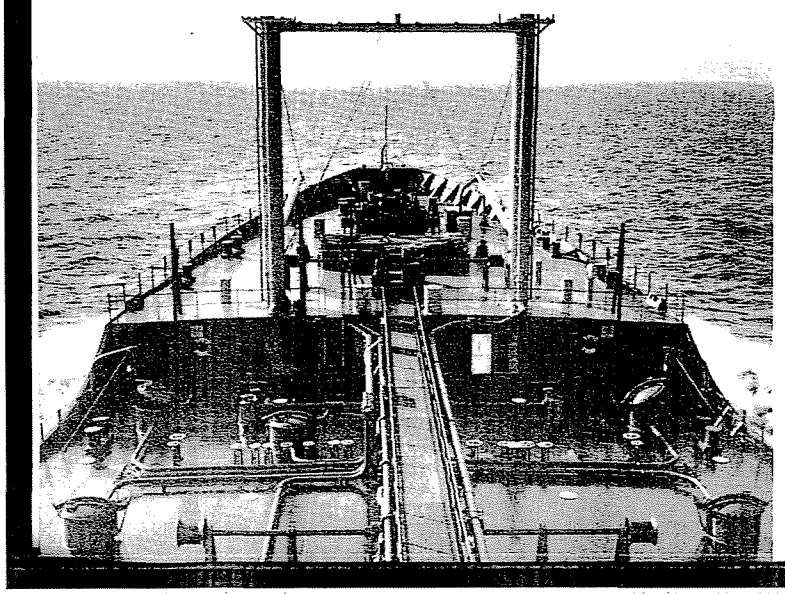
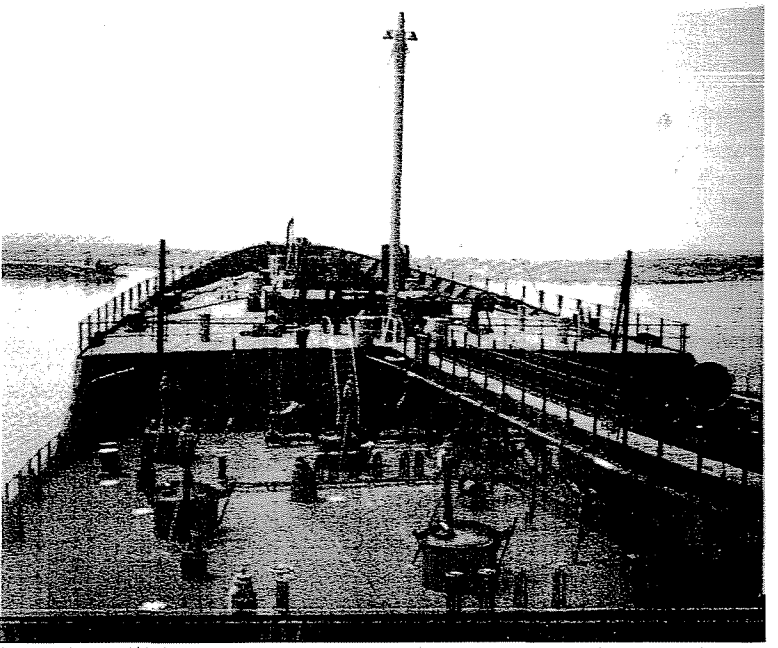
These are before and after pictures of the *Esso Dallas*. The forward king posts, booms and boom cradles have been removed and one of the booms was used as a mast for the anchor light, masthead light and floodlights.

Cargo vent lines on deck and alongside the catwalk from Nos. 1, 2, 3 and 4 tanks across were also removed and individual vents and pressure-vacuum valves installed near each tank top. The two after booms of the midship king posts were also removed.

Result — about 20 tons less weight, clearer decks, less maintenance and a saving of approx. $4,800 over what it would have cost to renew the corroded vent lines.





Ship Operator George Saunders (left center) receives 30-year gold watch and congratulations from Asst. General Manager Sydney Wire on Aug. 13. Others, expressing approval of the event, are (l. to r.) Ellis B. Bessels, Ludwig B. Bade, Stanley B. Haas, Arthur W. Mueller, John H. Wassel and Henry L. Goedeke. All are members of the Allocation and Dispatch Section (which Mr. Bade heads) except Mr. Haas, who is Acting Manager of the Traffic Dept.

of the Board of Humble, will christen the vessel and her daughter, Mrs. George F. Pierce, Jr., will be matron of honor.

The *Esso Houston* will be the Company's largest ship, the largest tanker ever built by Newport News and the largest regularly engaged in Gulf-U. S. East Coast service. She will measure 800′ overall, 116′ beam, 54½′ depth and will have a cargo tank cubic capacity of approx. 562,500 bbls. A conventional double reduction geared turbine will develop a maximum of 19,000 shp. and a designed speed of 16.5 knots.

Among the many special features of the vessel will be a single automated boiler, centralized engineroom controls, 4 turbine-driven deepwell cargo pumps (no pumprooms) and a single deckhouse aft. All exterior house surfaces and part of the hull are being coated with Rust-Ban 191 during construction, as are the interiors of cargo tanks and both sides of the cargo piping and vents.

Chas. F. Jones Elected Company President

Charles F. Jones became President of Humble on Sept. 10, succeeding J. K. Jamieson, who was elected an Executive Vice President and Director of Standard Oil Company (N. J.).

Dr. Jones has been an Executive Vice President and Director of the Company since April 1. He was previously President of Esso Research & Engineering Co. for 14 months and prior to that, worked with Humble in scientific and managerial posts for nearly 25 years. He joined the Company in 1937 as an Engineer in the Technical Service Division of the Baytown Refinery after obtaining a Ph.D. in physical chemistry at the University of Texas. He is a native of Bartlett, Texas.

Mr. Jamieson became President of Humble on Nov. 1, 1963, when Carl E. Reistle, Jr. was elected Chairman of the Board of Directors.

Humble Second in Safety Contest

At the half-way point in this year's safety contest for ocean and coastwise tankers, Humble is in second place with an accident frequency rate of 1.02. This is better and worse than last year. It's better because we had fewer accidents during the first 6 months of 1964 but it's worse because at the end of June 1963 we were tied for first place with Sun Oil.

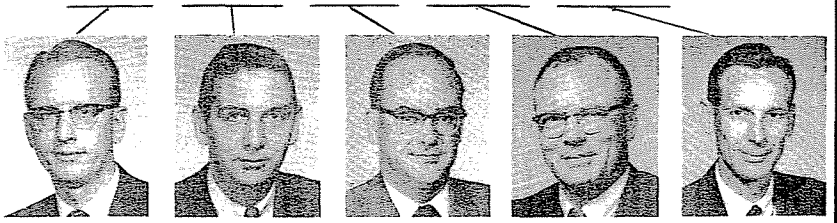
Socony Mobil is ahead of us this year with a frequency rate of .70 and Tidewater, who beat us out for second place for the full year of 1963, is now in third place with a rate of 1.37.

While our 6-month score is not bad, there is little cause to rejoice. In July and August we had as many lost-time accidents (3) as in the first half of the year. What we need now is a string of accident-free months to bring our average down again. Renewed determination to work safely and a sharp eye for hazards should do it.

Controller's Dept. Shifts Personnel

A series of assignment changes in the Marine Division's Controller's Dept. became effective on Sept. 15. Clyde H. Ritter, who was Acting Accounting Manager, transferred to the Economics Dept. of Esso International, Inc., New York and Harry J. Devine was appointed to Mr. Ritter's former post for training. Other rotational training assignments were: Richard J. Patrey to Head, Financial Section; George H. Burger to Head, Ships' Payroll Section and Daniel L. Newman to Head, Payable and Receivable Section.

C. H. Ritter H. J. Devine R. J. Patrey G. H. Burger D. L. Newman



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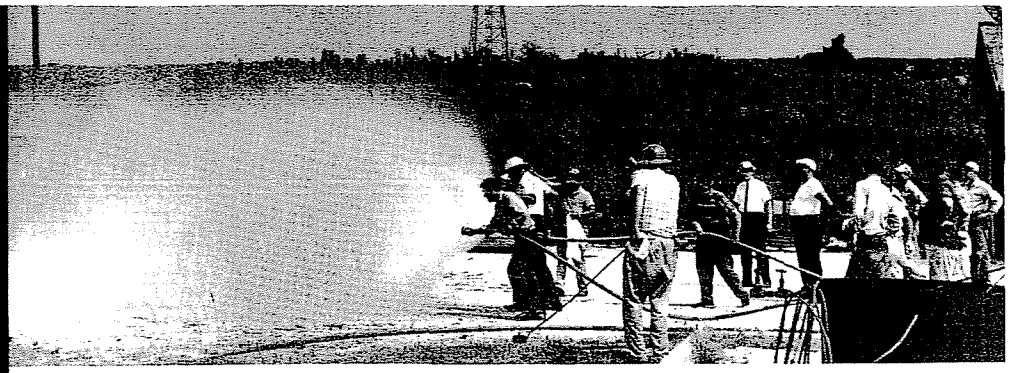
W. E. Gardner, Editor.
Contributions and suggestions are invited and should be addressed to The Editor, ESSO FLEET NEWS, Humble Oil & Refining Co., P. O. Box 1512, Houston 1, Texas.



Using the spray from high pressure fog nozzles as a shield, AB Harry Powell and MM/2P Ray Mott (with a Refinery instructor between them) move in to quench a large fire similar to the one pictured below.

Learning How to Fight Fires

In the 5 weeks since the 2-hour training classes in fire fighting have been underway at the Baytown and Baton Rouge refineries, 358 seagoing men have taken the course. Among those attending the class at Baton Rouge on Sept. 2 was our ace correspondent, Bill E. Tyra, AB in the Esso Jamestown. With the experience still a burning memory, Bill put pen to paper and sent us this description of the course. — Ed.

I signed on the *Esso Jamestown* in Baton Rouge and joined a group of men selected to attend the fire fighting clinic sponsored by the Company. We were provided transportation to the training site, where we assembled in the equipment storage building and met the instructors. One of them gave a brief talk on what makes fires burn — the elements required being fuel, oxygen and heat. The removal of any one or more of these will cause the fire to go out. He described the various types of fire fighting equipment and explained the uses of each before conducting a short question and answer session.

After the classroom portion of our training we went outside to watch the instructors demonstrate proper methods of fighting several type fires with the dry chemical, carbon dioxide activated extinguishers. After one or more of the instructors would skillfully put out the fire, it would be re-lighted and each of us would try to duplicate the feat.

We first learned how to put out a spill type fire, using the Ansul extinguisher. The method was to approach the fire using a swinging or back-and-forth motion of spraying the powder at the base of the fire. Next we learned how to put out a fire in an open container (half a 55-gal. oil drum) by using the same side-to-side motion. This spread a blanket of dust over the top of the drum, which smothered the fire.

Our next assignment with the dry chemical extinguisher was the most difficult — the problem being to extinguish a fire in an angular ditch about 4 ft. deep. The method here was to start at one end of the angle and chase the fire around to the other end. To make sure the fire didn't re-ignite and to assist in combating the fire, a second, or back-up man stood ready with his extinguisher. A couple of men had a little difficulty with their fires when the wind suddenly shifted and blew the flames toward them. But they succeeded in putting it out.

That concluded our instruction with dry chemical extinguishers and I believe most of us were impressed with the instrument that kills fires with baking soda, the main ingredient of this type extinguisher.

We then proceeded to the next problem which was to use water as a protective shield, enabling the fire fighter to approach a burning pipeline and put out a fire by closing off a valve, halting the flow of fuel to the flames. In this operation we used 3-man teams with 2 men handling hoses fitted with fog nozzles and the other man stationed between them to shut off the valve.

We were preparing to move to the final task when a truck drove up with canisters of coffee and hot chocolate.

After our coffee break we learned how to put out a rather large fire using water. A vat about 2 ft. deep and 100 ft. in circumference was set afire. Using water as a shield, we advanced to the rim of the vat and continued pouring on water from the high pressure fog nozzles until the fire was out. This time the instructor accompanied us to advise and coordinate our movements. As we took our turns at extinguishing this fire, the instructors would light it again and smoke and flame would rise and billow and make loud roaring sounds as if there were "tigers in the tank".

We were cautioned always to back away from any type of fire with hose or extinguisher held ready and never to turn our backs toward the fire even if we were sure it was out — as the fire might re-ignite or back flash.

We were taught the basic principles of fire fighting and by actively participating, we gained confidence in our own ability and lost most of the fear we may have felt when faced with fire. Both employee and employer should benefit from this program as it may some day prove its worth many times in saving lives and property.