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Profits, Progress and Prices

By NELSON JONES
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Extracts from an address entitled "A Better Way to Build Together," presented by Mr. Jones to the Mid-South Business and Industry Conference at Louisiana State University, Baton Rouge, May 7.

To maintain our economic system — without which there is no reason to believe we would be the most advanced, most prosperous nation in the world — we must do three things:

First, we must protect the right to make a profit. It is almost unbelievable that we should have to defend the right to make a profit. We have seen our nation attain new heights of achievement under our free enterprise, profit-motivated economic system; and we have seen socialist and communist societies flounder and fail. Yet, there are those who sincerely believe that profit only promotes greed and special position for the few; that all would be well in America if we could just get rid of those who are out for a profit.

I can think of no better industry than my own to point to as an example of the advantages of American private enterprise, which dangles the profit carrot indiscriminately before us all. Competition to achieve a profit in the petroleum industry provides the public with constantly improving products, fair prices, and good service.

In all the vastness of the Soviet Union, there are only about 1,500 service stations — you have twice that many in Louisiana. In all of Poland there are only 63 stations that stay open all day. No wonder Polish authorities warn drivers to "calculate carefully" before taking a trip; for, they warn, even if a station is open, "the chances are it will have run out of gasoline."

I'm for keeping the system *we* have.

The petroleum industry in this country contributes in many other ways. We provide employment for a significant portion of the nation's workers, including more than 90,000 Louisianans. And let us not forget that various taxes paid by the industry help support the vital functions of society.

In Louisiana, for example, the petroleum industry and its products provide more than half the tax revenue. Three-fourths of your state's expenditures for operation of public schools comes directly from the oil and gas industry.

We could do none of this without profit. Profit is the basic motivator in our industry — and I don't apologize for saying it. In addition to paying taxes and financing a tremendous variety of civic and social programs, profit creates jobs, pays salaries, builds plants, and even finances whole new industries.

On the other hand, as Henry C. Alexander, former chairman of Morgan Guaranty Trust Company of New York, has said: "A company without profit is a poor provider for its employees, a non-contributor to the public treasury, a cold prospect for the fund-raiser, a doubtful supplier for its customers, and a very sick cat for its owners."

The second thing we must do to maintain our economic system is to protect the right to innovate. Automation is but one aspect of innovation, yet this word — automation — scares many people.

The typewriter was considered a threat to those who wrote with pen and ink. The refrigerator was a threat to the iceman. And a real one. We rarely see anyone nowadays carrying heavy blocks of ice. We do, however, see thousands and thousands of people manufacturing refrigerators and typewriters, selling them, and repairing them.

Examples of this sort could be cited by the hour. And all of them would support the thesis that automation and innovation which promote efficiency in the form of reasonable prices and wider markets are contributors to increased job opportunities. Protecting outmoded jobs and skills is not the way to provide needed job opportunities.

Now, I do recognize that automation and innovation can bring hardship to the few. All of us — business, government, and education — must do our share in helping these people.

Education and training are the keys. A full third of those who are unemployed and seek jobs could be employed today if they were qualified to fill the 350,000 job vacancies that exist in the nation.

Government is urging business to step up its training programs and to upgrade its workers. Certainly we should do all we can to help people prepare themselves for useful work in our fast-changing society.

What we must not do, however, is keep workers where they are not needed. Such individuals should be placed in productive roles — otherwise, we take away the individual's dignity; and, equally important, we deny society whatever skills and abilities he has to offer.

Again, I repeat, it is becoming obvious that the best way to create more and better jobs is to promote efficiency in the form of reasonable prices and wider markets, not in protecting outmoded jobs and skills. Innovation can help us achieve this goal.

Finally, there is a third thing we must do to maintain our economic system. We must protect the right to price according to market reality.

Prices have been called the thermostat of our business system; a thermostat that sets itself by quick response to the changing heat of competition. It reacts quickly to the immutable laws of supply and demand. But there is one unique aspect of the business thermostat we should all recognize: it cannot be set by human hand; it cannot be meddled with artificially.

I firmly believe that the consumer — and the nation — is best served when prices are determined in the marketplace; when all the various market forces of supply and demand interact.

As long as we operate on the basis of supply and demand, our economy will continue to serve the nation. And, the consumer will continue to enjoy the benefits of free, competitive marketing.

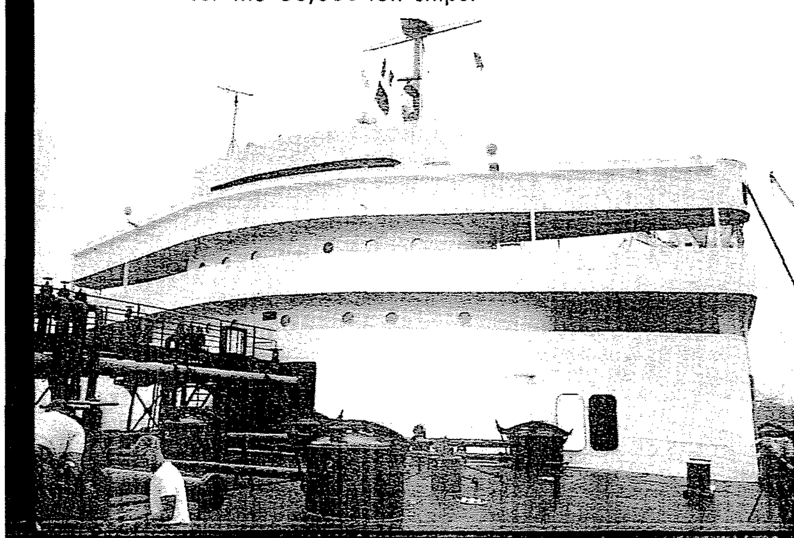
And let's not forget that in a free market, the ultimate control of prices rests firmly in the hands of the consumer — and there is where it rightly should be.

This is the *Esso Washington's* midship house, although there is more than a faint resemblance to Her Majesty's royal yacht. We mean, of course, the fresh white paint which was applied, Chief Mate BERTRAM O. CHRISTENSEN said, by "one of the best deck gangs I have had the pleasure of sailing with." They also did the white, buff and decks of the after house, catwalk handrails and some piping.

In the deck gang were ABs ERNEST BANKERS, JOSEPH R. HENDERSHOTT, JAMES M. HUGHES, BERNARD MALKOWSKI, HERBERT D. SEXTON and BILL E. TYRA; and OS FRANCIS M. DOLAN, EARL HANKINS, JR. and NORMAN L. MAY.

In the corner of the picture are MM/2P ANDREW E. JOHNSON and Pumpman Trainee FRANCIS L. PICOU.

And to prove that "beauty is as beauty does," the *Washington* had an 11¾-hr. loading at Baytown, April 17 — 6 grades totaling 297,268 bbls. The turnaround time was 18¾ hrs. (including 1 hr., 25 min. for piping repairs) which is 1¼ hrs. under the goal for the 38,000-ton ships.



How Many Ships Will We Operate?

This is the favorite $64 question. We have 20 vessels in the fleet now and we contemplate continuing with the same number at least through 1966. That's the present planning but, as you know, a lot of things *could* happen to change the picture. Ship management is sensitive to many influences — war and peace, rumors of war and peace, prosperity, depression, weather, costs, government actions, etc., etc. It's a tough job to get the range on all these factors and then come out and say this is our course.

Suffice it to say that the Company is not entertaining thoughts of selling any ships and that if nothing happens to upset present plans, we will still be going with our present fleet by the end of the year.

More Scholarships

Since the last issue went to press, the following information has been received of additional schol-

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W. E. Gardner, Editor.

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arships awarded to children of seagoing personnel:

RUTH K. COFFILL, daughter of ANDREW W. COFFILL, Second Mate in the *Esso Baltimore*, received a Walter C. Teagle Nursing Scholarship to Barry College, Miami, Fla., starting next September.

RICHARD CAIN, son of ROBERT D. CAIN, Chief Engineer in the *Esso Scranton*, has received a New York State scholarship. He has decided to attend City College of New York and will specialize in mathematics.*

DONNA STEVENS, daughter of Able Seaman FRED G. STEVENS, SR. (paid leave), was awarded a Walter C. Teagle Nursing Scholarship to Concord Hospital School of Nursing, Concord, N. H., effective in September.

*We all know what mathematics is (or are) don't we? WEBSTER'S NEW COLLEGIATE DICTIONARY defines it thusly: "That science treating of the exact relations existing between quantities or magnitudes and operations, and of the methods by which, in accordance with these relations, quantities sought are deductible from others known or supposed." Get it now?

U. S. Merchant Fleet Increases

Active oceangoing vessels of 1,000 gross tons and over in the U. S. merchant fleet totaled 1,009 on April 1, according to information compiled by the Maritime Administration. The number of active vessels is 9 more than the comparative figure on March 1 and 60 more than the 949 active vessels 6 months ago (Oct. 1, 1965).

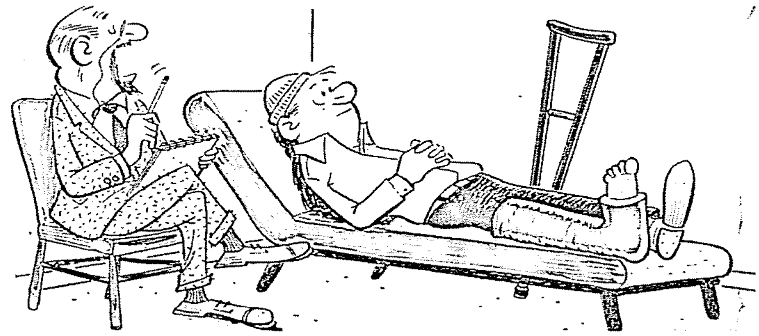
Of the 60-vessel increase in the active fleet in the past 6 months, 38 were government-owned and 22 privately owned. Only one more tanker was operating on April 1 than on Oct. 1.

The following table classifies the April 1 active fleet by type of ship:

	Passenger-Cargo	*Freighter*	*Tanker*	
Government-owned*		107		
Privately owned	27	617	258	
TOTALS	27	724	258	— 1,009

*Excludes one combination passenger-cargo vessel, 18 freighters and 2 tankers in military service under custody of the Department of Defense; 2 freighters loaned to Dept. of Interior and Coast Guard; and one Panama Canal Co. passenger-cargo ship no longer in commercial service.

The Maritime Administration estimates there were 52,394 seafaring jobs on the active U. S. flag ships in March. This excludes civilians manning MSTS ships but includes seamen on MSTS contract tankers and missile tracking ships, Atlantic range. The number of jobs is 1,299 higher than it was last December.

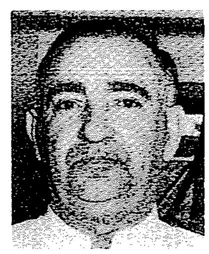


This cartoon appeared in a recent issue of the *Chevron Shipping Company Safety Bulletin* with the explanation that a large industrial firm in New York City had engaged a psychiatry organization to help reduce a growing accident rate among its employees. A requirement that every employee who had an accident had to see the psychiatrist lead to a 50% drop in the accident rate. It was said that employees unconsciously avoided accident-causing situations because they did not want to see the psychiatrist.

This is very interesting. It set us to wondering if there might be other incentives or "disincentives" that would be equally or more effective in preventing accidents. We thought of a few but then came up against this — Can you unconsciously avoid accidents if you are unconscious of accident-causing situations?

Perhaps you can — by developing your safety consciousness to the point where you are consciously or unconsciously safety conscious in just about all situations. Like the man who said the secret of his success was that "Whenever opportunity knocked, I hopped." Asked how he could tell when opportunity was knocking, he replied "Can't tell. Have to keep hopping all the time."

RECENT RETIREMENTS



CHIEF COOK AUGUSTO J. SENNA, with perhaps a tear in his eye and a lump in his throat, waved goodby to his shipmates in the *Esso Jamestown*, March 25, as he went ashore at Norfolk for his last paid leave before becoming an early annuitant on May 1. He has nearly 21 years' service in the Fleet, of which over 19 were as Chief Cook.

After shipping out of San Francisco with the California Transportation Co., Gus joined his first Esso ship, the *W. H. Libby*, in Aug. 1932. He returned to the Company in Jan. 1941 and was aboard the *T. C. McCobb* when she was torpedoed and sunk off South America on March 31, 1942. Despite a second torpedoing 5 weeks later while being repatriated aboard the *Alcoa Puritan*, he sailed in 4 more vessels during the next two war years.

Rejoining the Fleet in Nov. 1947, Mr. Senna served continuously until his retirement. His home is in Riverside, R. I.

TAFFRAIL TALK

Esso Dallas is scheduled to load jet fuel at Aruba or Amuay about June 5 for Ozol (San Francisco). On the return trip she will load another jet fuel cargo in the Caribbean for discharge at Searsport, Maine.

U. S. Navy officers at Searsport were much pleased, we hear, with the product quality of the *Esso Newark's* cargo and her turnaround there on May 7-8. The ship discharged a full cargo of JP4 loaded at Aruba.

* * *

Captain VICTOR T. SPRINGER put the *Esso New York* in to Guantanamo, Cuba, May 8 to get medical attention for Third Asst. CHARLES H. HANCOCK, who had a steel splinter in his eye. Several splinters lodged in Mr. Hancock's eye when a hack saw blade broke while he was cutting a piece of rail stanchion. Captain Springer was able to get all but one of the splinters out and that one was removed by the Navy doctor. Mr. Hancock returned to his ship and with the doctor's medication, was improved enough to stand his watch the next day.

The *Esso New York* was enroute from Guayanilla, Puerto Rico to Baytown.

* * *

DM JOHN A. LEGER, ex-*Esso Bangor*, is at Gulf Coast Hospital, Baytown, Texas, 77520, with back miseries caused by a slipped disc. Jack would appreciate hearing from shipmates.

* * *

Esso Baltimore loaded 2 grades of crude totaling 390,793 gross bbls. at Harbor Island, May 1-2. Captain JAMES D. LAWTON, inquired (with tongue in cheek, we think) if that was the largest cargo of crude she ever lifted. The answer is yes, it's the largest crude cargo we could find for either of the 48,000-ton ships.

To be perfectly frank, cousins, this means that Captain Jim, who is on his first assignment as the *Baltimore's* regular Chief Mate and relieving Master, has bested brother Tom, who had the same berths for many years prior to becoming regular Master of the *Esso Scranton*.

* * *

We've been meaning to tell you something interesting we saw in Austin, Texas on a short vacation trip a few weeks ago. Ye Ed. and Mrs. Y. E. were wandering about the University of Texas' attractive campus one afternoon when we noticed a sign "TO DINOSAUR TRACKS→" near the natural history museum. Following the arrow, we came to a shed-like building perhaps 20' x 10' with one side all glass. Inside was this sign:

> Dinosaur tracks in cretaceous limestone from Glen Rose, Texas (75 miles SW of Dallas), made about 200,000,000 years ago.
>
> The large tracks are those of a herbivorous quadruped related to the thunder lizard Brontosaurus. The smaller tracks were made by a bipedal carnivore similar to the Tyrant Saurian Tyrannosaurus.
>
> The carnivorous dinosaur was following, as shown by the fact that it stepped in the tracks of the herbivore.

Giving this a liberal and perhaps imaginative translation, it means that a 2-legged, meat-eating, bad-tempered lizard was on the trail of a 4-legged, plant-eating, contented, 50-60-ft. lizard, obviously with thoughts of feasting.

The Brontosaurus tracks were fat oval shaped, maybe 1½, 2-ft. long. The somewhat smaller Tyrannosaurus tracks were 3-toed — something like a giant turkey track. The prints were quite deeply imbedded in a tan colored rock that must have once been like clay or mud.

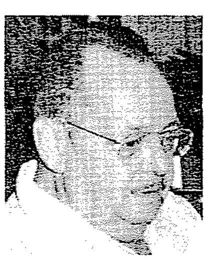
But can you imagine two hundred million years? One million? 10,000?

In the museum building were several large displays (donated by Humble) of the Texas and Gulf Coast area at different periods. The one for 200,000,000 years ago showed Austin on the coast; everything SE was under water.

SERVICE EMBLEM AWARDS

★ 20 YEARS ★

Jack T. Stillman
Third Mate
March 24, 1966



Harry L. Fendt
Radio Officer
March 28, 1966

Thomas J. Ford
Oiler
March 17, 1966

OBITUARY

ERVIN C. HAATVEDT, 66, former Chief Engineer and Asst. Port Engineer, died May 10. He had been retired since July 1959 and recently had been an engineer in passenger vessels sailing out of Miami to the Bahamas.

Mr. Haatvedt had 27½ years' service with the Company, starting as Third Asst. in the *L. J. Drake* in Dec. 1931. He advanced to Chief Engineer in 1939 and sailed throughout World War II as Chief in 5 diesel ships. Coming ashore in Oct. 1945, he was a Group Engineer and Asst. Port Engineer until his retirement.