Houston Refinery

Shellegraph

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SHELL PRESIDENT SEES SERIOUS SHORTAGES AHEAD

People are drawing the wrong conclusion that there is no oil shortage because recent higher oil product inventories have been higher than a year ago, Harry Bridges, president of Shell Oil Company, told a Senate subcommittee today.

In a statement prepared for the Permanent Investigations Subcommittee, Bridges said the higher inventories result from warm weather, conservation, and careful budgeting of supplies to meet the continuing emergency.

The shortage is real, Bridges added, and conservation of energy will be important long after the Arab embargo is withdrawn.

A growing shortage of crude oil had been developing worldwide prior to the Arab embargo, he said. The company began experiencing difficulty in buying all the crude oil it needed as early as the last quarter of 1972. This was brought about by two countries, Libya and Kuwait, slowing down the growth of their supply.

"Other possible sources of crude were not able to take up all of the slack," Bridges added, "causing the first pinch."

After a brief apparent improvement in early 1973, crude oil again became hard to buy. Then the embargo, which went into effect in the fall, produced the chaotic crude oil and product situation which currently exists.

The impact of the embargo on the U.S. was cushioned for a few months, according to Bridges. Material already on the high seas and medium-term non-embargoed purchases postponed the crunch.

"But our problems have now become very serious," the Shell president said. "Foreign crude oil and product are in extremely short supply and their prices are very high.

"The lack of crude oil which we see in the industry now and during the next several months will draw down inventories severely and cause tremendous problems here in the United States. This situation clearly justifies the conservation measures which have been taken and justifies their continuation in the future."

Shell's problem was compounded by the military tapping its product supplies. The initial requisition covers a three-month period, ending January 31, and takes approximately five percent of Shell's products for the defense forces.

Bridges said Shell's figures show that during the next three months its refinery utilization will be no more than about 85 percent of capacity because of inability to buy foreign crude.

He said the industry situation may be even worse so that, under the mandatory allocation program, Shell will have to sell crude oil to others and further reduce refinery runs.

He added that the company did not "expect to be able to make up our product shortfall with imports."

A LESSON FOR ALL MANKIND

A duel to the death best describes the above picture of the skeletal remains of an 8-point and a 10-point white tailed buck.

James Coker, mechanic No. 1, Automotive, came into possession of the entangled remains through his father, Harold Coker, who found them while squirrel hunting in the Sam Houston National Forest last December.

From the entangled position of the antlers, a story seems to emerge. As you can see (note finger pointing to neck), one of the buck's antlers pierced the throat of the other in a mortal blow. But, the struggle proved to be fatal to both as their antlers were hopelessly entangled causing the victor? to starve to death.

Odds are great that their deaths resulted from fighting over, alas, the affections of a doe. Perhaps this should be a lesson for all mankind.

A RESPONSE TO REPEATED CHARGES

The oil industry is repeatedly being charged with withholding heating oil, gasoline, and other products from the public while storage tanks are "filled to the brim," tankers are coming in as frequently as ever, and some are sitting in harbors waiting for prices to go up.

In response to such charges, here are some facts:

- Why the full tanks? The oil industry gears itself to meet two peak demand periods: the winter heating season and the summer driving season. Demand during both peak periods exceeds manufacturing capability. Therefore, inventories are built prior to the beginning of these peak periods to make up the difference. Distillate tanks, which include heating oil, are full by December 1 of each year. Then in February, during the height of the winter season, refineries increase the output of motor gasoline and continue depleting the inventory of distillates. Refinery output again swings in August during the height of the driving season in order to fill the tanks for the winter demand. There is no other feasible solution.

- Why are tankers waiting in harbors? It would help in answering this question if specific details such as the names of the ships and the ports involved were known. Without such details it can only be guessed that the tankers seen sitting in various harbors were waiting for berths to unload their cargoes. It is not unusual to see as many as five ships waiting at a port to be unloaded. It is also not unusual for the unloading process to take 18 hours. Consequently, it is possible that an observer could see a tanker waiting for a berth one afternoon and return to see it still waiting the next day. The problem begins when such an observer concludes that the ship is waiting for prices to go up. Using tankers for storage is not using them to maximum advantage. The conclusion that this is being done is ludicrous.

Many oil tankers are also used as coastal vessels to move finished and unfinis products between refiner and terminals. Without k owing how these vessels used, observers have dr the following errone conclusions:

- Tonnage is the same more) as last year. There there couldn't be a short of crude.

- Vessels are seen be loaded with crude or finis products, and then leavin port. Therefore, they m be exporting.

"He tells everyone he's a plant engineer."

WELCOME TO SHELL

Sandra G. Whatley
Stenographer
Treasury

M. N. Martin
Engineer
Eng. Services

B. R. Caracena
Accountant
Treasury

STEPHEN HARDESTY PRESENTED EAGLE AWARD

Stephen Hardesty, son of D. E. Hardesty, senior research engineer, MTM Research Petroleum Chemistry and Catalysis Department, was recently presented the Eagle Award by Ernest Thomas, Jr., Eagle Charge for Troop 737.

Stephen is a junior at La Porte High School, a member of the Student Council, National Honor Society, the First Methodist Chu of La Porte. He joined Tr 737 in 1968 and has ser as a patrol leader, sen patrol leader and junior sistant scoutmaster. At present time, he is the p sident of Explorer Post

He attended Philmont Ju Leader Instruction Trai Camp in 1970, served as c leader for a Philmont expe tion in 1972 and returned Philmont in 1973 to parti pate in the Kit Carson program, a training prog for Philmont Rangers. He worked with the staff at Rancho Cima Scout Camp for past two summers. Steve i Vigil member of the Order the Arrow and has served chapter chief of the Bays district and eastern area chief of the Order of Colon Lodge. He recently atten the National Order of the row Conference in Santa B bara, California.

ROBERTS AND PARNELL PROMOTIONS ANNOUNCED

Roberts

Parnell

T. A. Roberts was recently promoted to senior engineer, Engineering Office. He was employed at the Houston Refinery in June 1969 as an engineer in Engineering Services. In May 1971 he was transferred to Engineering Office.

B. E. Parnell, senior analyst, Employee Relations, has been promoted to supervisor scheduling and payroll, Employee Relations - Deer Park Complex.

SHELL INTRODUCES FOUR NEW TIRES

Shell is adding four new tires to its quality tire line this year, providing two more selections for passenger cars and two for trucks.

One of the new passenger car tires is the Shell Radial Ride, which combines quality, economy and radial construction for traction, steering response and mileage. It has two radial plies of rayon and is being produced in a whitewall design in 12 sizes.

The other new passenger car tire is the Shell Comfort Ride, a four-ply polyester economy tire featuring a modern tread design and a comfortable ride. It is intended as a replacement for the Super Shell Premium 30 and is being produced in eight blackwall and 12 whitewall sizes.

Added to the truck tire line are the Super Shell Highway/Traction 78 and the Super Shell Steel Radial Highway.

The Super Shell Highway/Traction has a four-ply nylon cord body plus two fiberglass belts. It is expected to be popular in the recreational vehicle market for longer mileage, improved handling and quiet, smooth operation.

The Super Shell Steel Radial Highway was introduced due to numerous requests. It offers the tread wear and puncture resistance qualities truckers demand for speed and load performance requirements.

SOCIAL SECURITY COSTS GO UP AGAIN

Social Security costs for this year have increased a second time. Under the previously announced schedule, both the employer and the employee would have paid Social Security taxes at the rate of 5.85 percent on up to $12,600 in annual earnings. This would have required a maximum deduction of $737.10.

While retaining the 5.85 percent tax base, Congress recently passed legislation raising the earnings subject to tax to $13,200, requiring a maximum deduction of $772.20. The change was effective January 1, and Shell continues to match employee contributions on a dollar-for-dollar basis.

Here's the revised 1974 schedule:

If your total earnings are -	Your 1974 tax will be -
$ 4,000	$234.00
5,000	292.50
6,000	351.00
7,000	409.50
8,000	468.00
9,000	526.50
10,000	585.00
10,800	631.80
12,600	737.10
13,200	772.20

GERBODE TRANSFERRED TO HOUSTON REFINERY

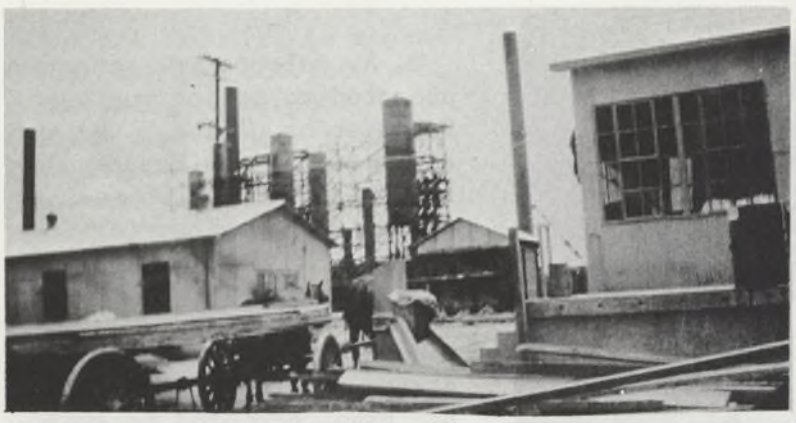
Fred O. Gerbode was recently transferred to the Houston Refinery as purchasing representative, Purchasing Department. Fred started his Shell career in May 1947 as a general helper at the Houston Plant.

ELMO JARMON, RETIREE, DIED FEBRUARY 12

Elmo Jarmon, special laborer, Engineering Field, died February 12 in Doctor's Hospital following an extended illness.

He retired February 1, 1965, with 15-3/4 years of service with the company. He is survived by his wife, Eliza, who lives at 8521 Prairie View Drive, Houston.

VIEWS OF THE EARLY '30s



Taken in the early '30s, these pictures easily show how things have changed at the Houston Refinery. In the top one, you see what was the Automotive Dispatcher's office and the old warehouse with Distilling 3 in the background. Distilling 3 remains, but the days of the horse-drawn wagons are gone forever. We find three one-time refinery employees, John Armstrong (l-r), Willard T. Hill, and Olen Snyder expressing their friendship near the original CWT's 1 & 2, while John's little boy frowns at the photographer. The remaining picture features H.C. Duke climbing above some old furnace stacks, as best as our experts could tell, in order to hoist "Old Glory".

We can thank A. O. Laster, welder No. 1, Engineering Field, for the pictures. He is the grandson of Willard T. Hill pictured above. Hill was a labor foreman during the '30s.

VOLUNTARY BLOOD DONOR PROGRA

A. J. Marches, painter No. 1, Engineer Field, and Keith S. Messenger, senior gineer, Engineering Services, relax they wait their turn to donate blood d ing the Voluntary Blood Donor Progr The program was conducted during the l week in January in the training room the east end of the main washhouse bui ing.

CLASSIFIEDS

FOR SALE

1971 Trophy 500 Triumph. Two helmets. $800.
Telephone: 442-2956

4-2-2, total electric house on two ac with well stocked lake. Beautiful woo location near Magnolia, Texas. $29,25
Telephone: 1-259-0194

1967 GE central air compressor and c densing coil, 3 phase, 48,000 BTU. $3
Telephone: 356-8018

1973 Cheyenne pickup truck; fully equipp air, AM-FM stereo, 2-tone - light blue white. $3,400.
Telephone: 477-8866 or 472-2865

Camper cover, cab height for LWB. Le talk about price.
Telephone: 485-5250

Two miniature Schnauzers AKC registered. Six weeks old. $100 each.
Telephone: 944-2066 or 941-4479 after 5

Complete lavoratory. $12.
Telephone: 472-7565

1971 Ford Cleveland high p formance engine. Comple chrome covers and chrome filter.
Telephone: 479-2261

Studio couch. Green. $
Telephone: 926-9801

243 Cal. Model 600 Remingt with Weaver V8 scope. $ Stevens 12 gauge double b rel. $80. Stevens 20 ga single. $70. Remington Cal. automatic. $25.
Telephone: 946-2710

WANT TO BUY

One adding machine.
Telephone: 472-6101

E. M. PERKINS HONORED AT RETIREMENT PARTY

PROVIDENT FUND NEWS

The following is the Provident Fund News:

Equities Fund

February 5, 1974 - $2.517

Shell Stock Fund

January 1974 - $65.561