

# Shell earns/spends millions during '74



# Review

Wood River, Illinois



VOL. 38, NO. 2

WOOD RIVER REFINERY

FEBRUARY, 1975

Shell Oil Company's consolidated net income for 1974 was \$620.5 million or \$9.21 per share. This compares to \$332.7 million or \$4.94 per share in 1973. As usual, all reported figures are subject to independent audit.

Fourth quarter net income of \$158.2 million was up 99 percent from the same period the year before.

Commenting on the fourth quarter earnings, Shell's president Harry Bridges said, "As in prior quarters of 1974, earnings improvement re-

sulted primarily from higher prices for domestic crude oil and natural gas production and for chemical products. These favorable results were partially offset by sharp declines in the earnings on the oil products side of our business."

### Record investments

Bridges continued, "With faith that energy problems will receive appropriate attention and priorities in both governmental and private sectors, and that private in-

dustry operating in a free market environment offers the best vehicle for resolving energy problems, we have continued an aggressive capital spending program."

Shell spent a record \$929 million for capital items in 1974. About two-thirds of these funds went into ventures aimed at filling up Shell's system with raw materials. The other third was spent in refining, transporta-

tion, marketing, and the chemical side of the business.

Mr. Bridges says he expects the company will exceed one billion dollars in capital expenditures in 1975. He said, "Capital spending at these levels requires a sustained level of earnings and cash flows sufficient to generate a major part of the new investment needed, and compensate investors for the large risks undertaken."

### Dividend declared

The dividend for the fourth quarter '74 was increased by five cents to 65 cents per share. The total dividend for the year was \$2.45 per share compared to the \$2.40 per share annual dividend Shell had declared every year from 1969 through 1973.

A more complete analysis of 1974 results will be contained in the annual report being mailed to shareholders.

## Hold this billion dollars for me, will ya?

Really now, how much is a million dollars ... a billion dollars?

Shell's president Harry Bridges has said that Shell expects to spend more than one billion dollars in 1975 on capital expenditures. Most of the dollars Shell is investing in capital expenditures go for the exploration and development of energy resources.

The way big money numbers are being bandied about these days we've become a bit blasé about them all. Let's put them

into some everyday perspectives:

### Shopping spree

Do you think your wife could spend \$1,000 a day, day after day, 365 days a year? Yes, you say? Well, in reality, probably not.

But for the sake of illustration, let's say you sent the little lady out on a non-stop shopping spree of \$1,000 per day until she spent a million dollars. She wouldn't be back for nearly three years!

How about her not returning until she spent a billion dollars? Don't expect

her back for 2739 years 8 months and 22 days.

### High finance

Another illustration of the multitudinous properties of millions and billions:

If you had 10,000 or so \$100 bills and started stacking them in a nice neat pile, a million dollars would be about 4 feet 2 inches high. (Wouldn't you like to have a stack of \$100 bills over 4 feet high?)

But, if you think a 4-foot stack of \$100 bills, totaling a million dollars, is something, consider a stack of \$100 bills totaling a billion

dollars -- that stack would be no less than 4170 feet high!

That's three and one-third times the height of the Empire State Building, or six and two-thirds times the height of the Gateway Arch, or the better part of a mile! And you know how thin each of those \$100 bills is.

(Pile up a billion one-dollar bills and you get into the 79-mile range.)

### Only the beginning

Getting the idea? As if a million dollars isn't big enough, a billion dollars is

a thousand times larger.

When we're talking about spending a billion dollars in capital expenditures, recall, we're only talking about Shell Oil Company and only about 1975.

Experts are talking about capital investment and other financial requirements of the petroleum industry in the area of a trillion dollars or more between the early '70s and 1985.

How much is a trillion? It's a thousand billion ... a million million ... a stack of one-dollar bills 78,914 miles high ...

### An opinion . . .

## There may be no rational approach to rationing

President Ford and a good many other folks think gasoline rationing is a horrible idea ... something that should come about only as a very last resort. Others argue it should be one of the first things we consider to "fairly" and "cheaply" distribute tightening supplies of gasoline.

Just for the sake of imagination, let's say the "rationers" win out, and it goes into effect. And further, let's say you -- yes, you -- are the one appointed to set up and run the system.

Being a fair-minded sort, you want to make absolutely certain there aren't any inequities in your system. Here we go:

### You - the rationing czar

The first thing you've got

to consider is who gets ration coupons. You're inclined to give every licensed driver a book. So comes along the family where the parents and all three teen-aged children drive.

With five books in the family there are plenty of coupons to allow the kids to drive to school and maybe even have a little "cruisin' " gas left over. You think the kids ought to walk or take the school bus to class, so you take away their ration books? O.K.

But wait! All three youngsters have part-time jobs (one, for instance, plays the electric harp in a rock band). Not wanting to add to unemployment, you relent and reinstate their

books ... much to the chagrin of the working widow across the street whose children are all under sixteen. She has her one book.

### Down in the boon-docks

Well, if it isn't simple enough to hand out ration books by the number of drivers in a family, how about by location? After all, everybody can't live in the inner city, and suburbs -- often many miles from the industrial centers -- have become a way of life. It's only fair to allocate more coupons to the folks in the "boonies", right?

Perhaps. But Herb Hardwork has to drive 35 miles one way each day to his rotating-shift job at the car assembly plant ... when it's running. Herb's neighbor,

Tom Tinkertool, runs a machine shop adjacent to his home.

Tom's gas problems are pretty much restricted to his wife's cooking. The Tinkertool's use their ration coupons for weekly camping trips to the Ozarks ... but at least the gas is cheap because that's why rationing was installed -- to keep down both consumption and prices.

### The drive to work

It's getting more complicated, isn't it? How about basing booklet handouts on how far one has to drive to work?

Sounds fair. But it's getting more sticky. Fine, how about the construction worker who works out of his union hall? This week

the job is close to home. Next week it's 100 miles away. The week after it rains and the job is closed down. That's not his fault. Do you run out and take away his book? Do you even know it's raining out that-away?

How about the pensioner? He may not be working, but there are errands to run ... things to do.

### Help!

Zounds, you say. I can't do all this alone! I need a government agency of administrators, inspectors, paper shufflers ... and, of course, a computer.

Opponents of rationing say it would require something like 25,000 full-time federal employees and 3,000 state and local boards to "fairly" administer the rationing bureaucracy. They estimate the cost to the American taxpayers (drivers or not) would be \$2 billion a year. Nothing's free, you know.

And, we haven't even considered the devious things that inevitably crop up when people try to buck the system. For instance, black market or white market (same thing, except legal) sales ... non-drivers applying for licenses to get extra books ... counterfeiting ...

Anybody got a printing press?



Everyone's case is "special" when it comes to rationing.

## Energy Forum

If one of your friends or neighbors asked you the following questions, how would you answer them? Our answers are on page three.

1. If gasoline prices are frozen by the government, why are prices different from one station to the next?
2. A year ago we had shortages. But there aren't any lines at the service stations any more, and there don't seem to be any other shortages, so why should we have to conserve?
3. Critics are saying producible gas wells are being capped in anticipation of higher prices. Is this true?

## Jumper cables can be explosive connection

It's jumper cable season again! In the winter, jumper cables are about as common as wooly socks, and yet next to the screw driver there's probably not another tool more often misused. The difference, though: hook up a pair of jumper cables wrong and you not only risk not getting your balky car started, you also chance damaging expensive electrical systems and even causing an explosion.

Follow the steps below and you'll be using jumper cables the right way . . . the safe way. But take note: these instructions are for negative-ground electrical systems.

If your American car is 20 years old, or if you have one of selected foreign cars, you might want to check your owner's manual to see if it's a negative grounder or not. The procedure for negative-ground systems is:

1. Be sure the stalled vehicle and the booster vehicle don't touch. If the two vehicles come together, a ground connection is established which causes sparks and increases the danger of explosion when jumper cables are connected.
2. Turn off all battery-operated accessories. Set the parking brakes and make sure transmissions are in either neutral or park.
3. Take the vent caps off both batteries and lay a cloth over filler holes. This reduces the danger of explosion when a fully charged battery is connected to a fully discharged battery.
4. For safety, follow this sequence exactly. First, connect the clamp from one jumper cable to the positive terminal of the booster battery (the good battery) and the other end of the same cable to the positive terminal of the discharged battery.
5. Connect one end of the second jumper cable to the negative terminal of the booster battery and the other end of the same cable to a ground connection not less than 12" from the filler openings on the dead battery. Do not attach this negative jumper cable directly to the negative terminal of the dead battery.
6. After the stalled vehicle is started, remove the jumper cables in the reverse order of the five steps above. Disconnect the ground connection first.

## SRA bowlers roll along in annual bowling tourney

Fred Grush, employee relations representative, had the hottest hand in the SRA Bowling Tournament held at the Wood River Bowl on successive Sunday's in February.

Fred coupled with Dottie Taylor of Employee Relations and Bill Gibson of Public Relations to capture first place in the 3-man team event and in singles he grabbed second-place money.

These scores, along with his series in the doubles competition, earned Fred the all-events title going away . . . by eighty pins.

Top finishers in the various categories are listed below. Special thanks go to the tournament statisticians: John Thomas of Technological; Glen Crockett, pipefitter; Lyn Clark, Lubricants; Charlie Gibson, Light Oil Processing; and Charley Rose, Engineering Field.

All scores include handicap:

Singles	
Clay Romani (dispatching foreman)	705
Fred Grush (empl. rel. rep.)	702
George Townzen (elec. helpr., retired)	673

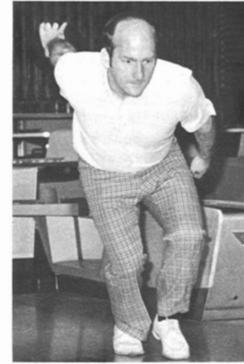
Doubles	
Jim Harmon (distilling opr.) and Bill White (alky foreman)	1325
Slats Slaten (alky foreman) and Bob Garner (alky opr.)	1312
Paul Vogelbacher (pipefitter) and Leo Cox (containerman)	1280

Team	
Dottie Taylor (empl. rel. asst.)	
Fred Grush (empl. rel. rep.)	
Bill Gibson (public rel. rep.)	1895

Bob Boettcher (loading racks opr.)	
Ed Pohlman (lube D&D opr.)	
Mel Henson (lube D&D opr.)	1875

Don Lybarger (lube D&D opr.)	
Gale Crane (lube D&D opr.)	
Ron Hettinger (lube D&D opr.)	1873

All-events	
Fred Grush	2002
Bob Garner	1922
George Townzen	1865
Hugh Nelson (pipefitter - research)	1863
Jim Patterson (compounder)	1854



Winning delivery. Fred Grush shows the form that earned him the all-events title in the SRA Bowling Tournament.

## SRA Calendar

### Special Events

Easter Egg Hunt	March 22
Kendall Hill -- Rain Date--	March 29
Spring Dance	May 2
Collinsville Park	
Golf Day	June 21
Cloverleaf G. C.	
Family Picnic	June 28
Chain of Rocks Park	
Fall Dance	November 7
Site to be determined	
Awards Banquet	Dec. 4
Edwardsville Legion	

### Sports Leagues

(starting dates)	
Fishing Contest	March 15
Trapshooting	April 28
Golf League	May 5
Softball League	May 13
Bowling League	Aug. 25
Football League	Sept. 9

Florida. Thirty-five miles from Disneyworld. Carport. Ken Blotevogel. 618-459-3222.

### Wanted

Tennessee walking horse. Five gaited, Mare. Gentle. Prefer black. Virgil Darr. 618-376-4002.

Used roto-tiller. Bill White. 618-656-2843.

### Classified Ads

#### For Sale

**Nikon slide projector.** For sale by SRA Camera Club. Includes trays and auxiliary lenses. Submit bids (\$40 min) to either Larry Basden 618-254-7013 or Joel Harmon 314-355-3384.

**Edison phonograph** with case. Three dozen wax cylinders. O.C. Johnson. 618-635-2689.

**Corn fed beef** for your freezer. Bob Tonsor 618-376-3544.

**Trans Am Firebird.** 1971. Cream puff. Good tires. 17,000 miles. Emil Schneider. 618-656-6310 between 6 and 9 p.m.

**Half-ton pickup.** 1972 Chevrolet Custom 10 Deluxe 350 cu. in. V-8.

All power. Radio. Camper cover with boat racks. 16,000 miles. Bill White, 618-656-2843.

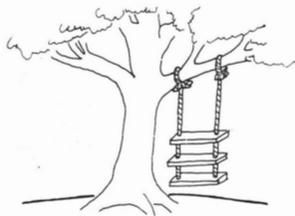
**Polaris drums.** Youth set. Very good condition. J. Gregor Jr. 618-656-0038.

**Outboard motor.** Five horsepower. Three gallon auxiliary tank. O.C. Johnson. 618-635-2689.

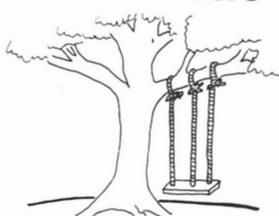
**Lake Timberline lot.** 70' x 210'. Four fishing and boating lakes in area. Sixty miles from St. Louis. Raymond Jones. 618-259-3259.

**Retirement home in Florida.** Four rooms and basement. Concrete block. Lifetime aluminum roof. Corner lot 135' x 100'. Lake Mary,

## The project



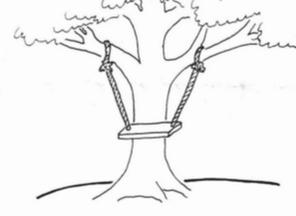
1. As tech requested it



2. As purchasing envisaged it



3. As management approved it



4. As engineering projects built it



5. As maintenance installed it



6. As public relations described it



7. What the line staff really wanted

# Conservation manager: hobby and job similarities

Editor's note: At first glance, not many folks would see much of a relationship between figure skating and environmental conservation. But Dick Dreith, author of the article below, is associated closely enough with both activities to see many similarities.

Dick is manager of Environmental Conservation at Wood River -- and, an avid figure skater. Originally from Denver, Dick and his wife, Marilyn, have been ice skaters most of their lives ... they even met

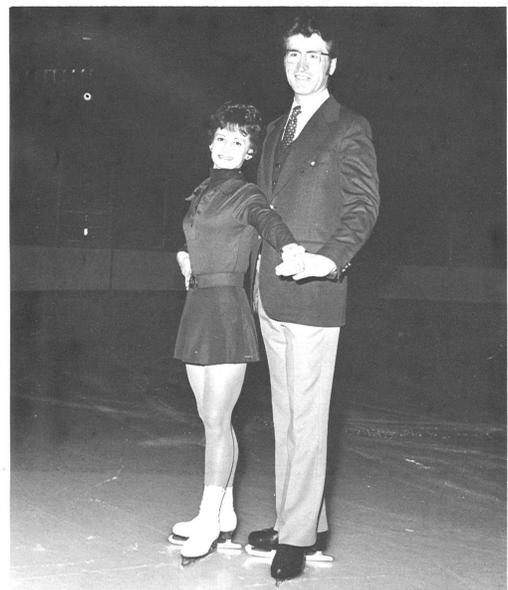
on a frozen pond.

Says Dick, "I've always enjoyed ice skating but didn't consider competitive ice dancing until about a year ago. During recent months, under my wife's instructions, I have noticed the terms used and the discipline involved in delivering a good skating performance are similar to those used to describe a good environmental conservation performance at the refinery."

Marilyn, who skated competitively in her late teens, and Dick specialize

in "ice dancing". Ice dancing is similar to pairs figure skating except the participants are required to perform specific dances (waltz, rumba, fox trot, etc.) to approved dance music.

All couples do the same dance routines, and their performance is judged on how closely they follow the required patterns and steps and, of course, keep time with the music ... in other words, how smoothly, cleanly, and quietly they glide over the ice while meeting the rules.



Dick Dreith and his wife, Marilyn, are competitive ice dancers. Dick, manager of Environmental Conservation, says the things one strives for in ice dancing and environmental conservation are similar.

## Smooth Clean and Quiet

### Rules and regulations

Ice dancing follows a strict set of rules and regulations established by the U.S. Figure Skating Association. Steps must be done at specific locations on the rink, to prescribed rhythms. You're judged on how precisely you follow these rules and how well you perform each step.

It's important that not only each individual knows what is required of him, but also how his performance fits with his partner so things don't get tangled up, causing you both to fall.

State and national Environmental Protection Agencies set strict rules and regulations governing en-

vironmental conservation. Industry must perform within these rules and be judged accordingly. It takes the teamwork of all concerned to assure the plant doesn't "fall down" on this important job.

### Smooth, clean, quiet

To get high marks, ice dancers and figure skaters must do more than go through the motions. Figure skates have very thin, sharp edges, and, if you're not performing correctly, it's easy for the judges to see the scars on the ice, or even hear the scrapes.

A good performance means a "smooth" glide with "clean" edges cutting through the ice

in a "quiet" manner. They are all related, each acting upon the others.

When a refinery is running "smoothly" without operational upsets or problems, it is generally running as "cleanly" as possible from an environmental standpoint and is "quietly" humming along at a steady sound level.

### It takes effort

Someone watching ice dancers may think their smooth performance is effortless. I can assure you it reflects a lot of practice and hard work, using good equipment. Good skates are "custom fitted", in a sense, to the individual and the type of skating being

done.

Likewise, smooth operations at the refinery reflect the work of many people, It takes effort to keep things that way, too. Good, well-maintained equipment plays an important role in this effort and helps lighten the task.

So there you have it. On the surface ice dancing and environmental conservation may not seem similar, but each takes special effort ...

and each is judged carefully on some pretty precise standards ... good performance brings a sense of satisfaction on the ice and equally a satisfaction of meeting the law at the refinery and our objective to remain a good industrial neighbor ... yes, the reward for a good performance in each is definitely a satisfying experience.

Dick Dreith

## WRR pensioner sends greetings from the warm Florida sunshine

From time to time the *Shell Review* receives letters from pensioners who are living far from the Wood River area and who have been enjoying re-

tired life for a number of years.

We'd like to be able to pass on their greetings but space doesn't always allow it. But

this month, as Wood River only starts the downhill slide out of winter, we thought you might like to know how one Wood River pensioner is doing ... basking in the Florida sunshine. Does anyone remember Chris Lavick?

Chris started his Wood River career in September 1922 as pipefitter and laborer timekeeper. Dr. F. W. L. Tydeman was refinery superintendent at the time. Chris transferred to Cracking as a gauger at the Cross Plants a year later. Following various operating assignments, he became operating assistant at the Toluene Plants in 1945.

Later, Chris was operating assistant in Aromatics and then the PLW. He began his "retired career" ten years ago this month after over 43½ years at Wood River.

Chris Lavick and his wife, Leola, moved to Venice, Florida, shortly after retirement, and say if any of their friends are near 409 Mahon Drive, Venice, Florida (33595), look them up!



Wood River pensioner, Chris Lavick, enjoys his retired life in Florida. He still wears the Lord Elgin watch he received from Shell on his 25th service anniversary in 1947. He says, "It looks like new and operates perfectly."

## Energy Forum

Here are answers to the Energy Forum questions listed on page two.

1. Motor gasoline prices are frozen in relationship to what they were on May 15, 1973. On that date the many thousands of service station dealers across the country were exercising their rights as independent businessmen to sell at different price levels. Their current ceiling prices are still related to that level, although the government has allowed certain increases. So, first of all, the ceilings for different dealers are widely varied. And, a price ceiling is just that -- a point beyond which a dealer cannot sell without governmental approval. Nothing says a dealer can't sell below his ceiling, however, if certain considerations such as local competition call for it. Even with prices "frozen," then, you may see price fluctuations from station to station, and from week to week.
2. There is a fine line between sufficient product supplies and shortages. On a world-wide basis right now there is no shortage. But consider the fact that the U.S. is importing 35 percent of its petroleum needs. For one thing, this is causing a severe money drain on our economy. For another, if people disregard the conservation efforts, they have become accustomed to, or if difficulties arise in securing crude supplies, sufficient supplies could turn again to uncomfortable shortages.
3. First of all, we're only able to speak for Shell, but as far as Shell is concerned ... in no case are Shell's wells deliberately held shut-in in anticipation of future price rises.

Speaking on a broader scale to a House Interior subcommittee, Mr. Jack W. Carlson, assistant Interior secretary for energy and minerals, said that the government has failed to unearth much evidence that energy companies are hoarding natural gas in anticipation of higher prices.

Mr. Carlson went on to indicate that the evidence suggests most shut-in wells are the result of technical problems. (Ed: such technical problems could include among others: awaiting the building of a production platform or a pipeline, or just plain maintenance repairs.)

# Your elected SRA representatives

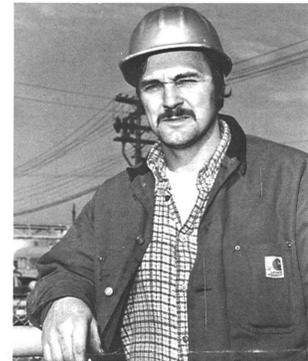
There are twenty-one people on your SRA Board of Governors. Nineteen are elected and two appointed. They represent a cross section of the refinery: crafts, operations, hourly, staff, women, and retirees.

Terms of office are two years. About half are up for election every year. Pictured here are those winning election last Fall and assuming their duties in January. (An asterisk means re-elected.)

Get to know them. These people help formulate and run your various SRA activities throughout the year.



Dottie Taylor, Employee Relations



Jerry Dean, pipefitter



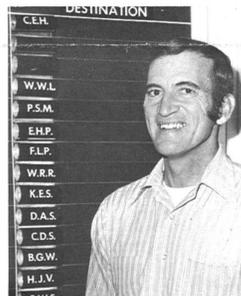
Bob Bevforden\* tinner



Tony Cafazza, Lube Operations



Weldon Tucker\* Refinery Lab



Ray Alexander  
Engineering Services



Joe Lanzerotte\*  
Engineering Office



Ray White, Treasury



Arlene Tutt, Engineering Field

## Readers' suggestions for a better *Review*

Readers' responses to the questionnaire about the *Shell Review* were tabulated and published in the December '74 issue. At that time it was promised that some of the comments and suggestions made by readers would be discussed in future issues.

This is the first installment. Here's what some readers are saying and our responses.

### 1. You list the names of deceased employees and pensioners, but a picture would be helpful in remembering them. Is this possible?

Yes, this is possible in most cases. The suggestion has merit and was mentioned by a number of readers.

There are a couple of considerations the *Review* must make in this regard, however. Already there are pictures for anniversaries and retirements. Too many pictures could give the *Review* a "gallery-effect"; and they take up precious space. However, if pictures of deceased employees/pensioners can be included in the future, they will be. -*Editor*

### 2. It would sure help if the *Review* would publish scheduled SRA activities well in advance. We have to make plans, you know.

We do! We do! Sometimes the luck of the draw is against us when the issue comes out close to the event. But even then, we try to make an announcement in the month's issue before that.

Last year, in the March issue, a complete outline of the special events for the remainder of the year was published. Did you cut it out? See this month's issue for the 1975 SRA schedule ... and get out your scissors. -*Editor*

### 3. Why not make the *Shell Review* bigger ... add pages?

You want to keep one man busy, don't you? Seriously, that's a legitimate request -- sometimes. Let's not be adding pages and then filling them up with things of marginal interest, though.

Is this reasonable? From time to time, when enough news/pictures of interest are available, the *Review* will be bigger for that issue. Whether an issue is four pages or six pages will depend upon "what's happening." -*Editor*



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Bill Gibson, editor

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