A MESSAGE FROM THE PRESIDENT:

To: All Tapline Employees

Having recently returned to Beirut to assume my new duties, I take this occasion to greet each of you, and to express my appreciation for the very fine job done by the Tapline organization this summer. I believe that we are now better prepared than ever to meet the demands of a higher level of pipeline throughput, and I hope that we will be called upon to do so. This is a challenge which we would all welcome.

In this respect I would like to share some thoughts with you about the future of Tapline as a transporter of Saudi Arabian crude oil to Western markets, and what we as individual employees can do to assure the long-term welfare of the Company, and thereby the welfare and well-being of its employees—a subject I might add in which I take a keen personal interest and to which I shall be devoting considerable attention in the months and years ahead.

Tapline has experienced difficult times these past five years, during each of which, as you are well aware, the pipeline has operated substantially below its capacity. You are also familiar with the two primary reasons for this: (1) competition offered by tankers transiting the Suez Canal has been difficult to meet because of the tanker surplus and the increasing number of large, highly efficient new tankers being placed in service, resulting in very low tanker freight rates, and (2) uncertainties as to the cost of moving oil through Tapline resulting from unresolved demands of the Governments for greatly increased payments.

The completion of long and complex negotiations with the four Governments during the past year has removed the uncertainty with respect to the amounts to be paid by Tapline to the Governments, but the resulting high level of payments leaves very little latitude for the Company in meeting competition from tankers. And this competition promises to remain severe, perhaps even to increase in the coming years, because of the current high rate of construction of efficient new supertankers.

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Under these circumstances what can we, as employees of Tapline, do to assure that Tapline will remain competitive, and that its services therefore will be in demand? Tapline's attractiveness as a means of moving crude oil from Saudi Arabia to the Eastern Mediterranean is obviously affected by two factors: the cost of moving oil through Tapline, and the cost of moving it by tankers through the Suez Canal. This second factor is beyond our control, but we do know and you should be aware that those concerned with the operation of tankers are making massive efforts to continue their phenomenal improvements in efficiency and cost reduction.

But the cost of moving oil through Tapline is within our control, the control of each one of us. Individually and collectively, we must take care that we do not allow any added financial burdens to be imposed upon the pipeline, whatever their nature. We can, and we must, do an even better job than we have of organizing, planning, managing, and doing our work; and a still better job of training, developing, and supervising, at all levels in the organization. Along with this must go a continuing—and even an increased—emphasis on the control of costs and the search for better and cheaper ways to operate and to maintain the pipeline. We must be concerned that every hour of labor and equipment usage, and that every piece of material, is being utilized efficiently and economically, that waste is eliminated and complacency banished. And if, in addition, each one of us has an attitude of concern and responsibility for the welfare of the Company, as I am sure we have, we will thereby guarantee that we will have done everything within our own control to keep the pipeline competitive.

Despite this formidable challenge, I believe that the future of Tapline is bright. I believe through my long and happy experience of working with you that Tapliners are capable of meeting this challenge, and that Tapline shall continue to offer a useful and economical transportation service of increasing benefits to our owners, and on which there will be an increasing demand by them. I invite each of you then to join with me in the effort to assure a bright future for Tapline, thus giving to each one of us the rewarding experience of having contributed to the success of an enterprise that is carrying out a most important mission in the world today.

Mr. R. Chehab
SAFETY HINTS HELP AVOID LPG EXPLOSIONS AND FIRE HAZARDS

The use of liquefied petroleum gas has been steadily increasing. Almost unknown in this area 10 years ago, it is getting to be the most commonly-used fuel in cooking appliances, space heaters, water heaters and refrigerators.

Like other flammable gases, LPG is not hazardous to be handled properly and used with the proper equipment.

Composed mainly of butane and propane, LPG is a gas which turns into liquid under moderate pressure. It is stored in this liquid state, under its own vapor pressure, in special bottles or canisters with special fittings, regulators and valves to be used as a fuel. When this liquid is released from pressure through the bottle's shutoff valve and the flow regulator into the appliance at normal atmosphere pressure and temperature, it turns into a gas state.

LPG itself is odorless in its natural state; it contains no toxic components. The characteristics of LPG which require good care and caution to avoid the hazards of explosion and uncontrolled fires in the process of handling and consuming the gas are its rapid vaporization rate at low temperatures, under atmospheric pressures, its wide range of combustible mixture with air and its high specific gravity. Because of those hazardous characteristics, care should be exercised to avoid unwanted gas leakage into the atmosphere and to avoid sources of ignition from the contaminated atmosphere once the gas leakage has been detected.

In the process of replacing used cylinders with new ones, and whenever hunting for gas leaks on the installation, do not use a lighted match or candle to detect leaks. This is the easiest way to cause an explosion or fire.

Make a soap solution in water and use a brush to apply it around the connections and joints of the gas line. If a leak is present, it will show up immediately in the form of bubbles from the escaping gas. This method will work no matter how small the leak is.

If the odor in the gas indicates a gas leak into the atmosphere, try first to close any valve available which will stop the flow. Second, eliminate all possible sources of ignition: no open flames, no lights of any kind in the room should be turned on. The use of approved flashlights is permissible. Thirdly, ventilate the space, open the windows and doors and ventilate especially at the lowest level because the vapors are heavier than air and thus settle to ground level in low spaces.

When lighting a gas appliance, which is not equipped with an automatic pilot light, be sure to light the match first and hold it over the burner before you turn on the gas by the appliance's shutoff valve. If the flame flames back and lights inside the burner, turn off the gas then try it over again. If it continues to do this, call the gas company and ask for a service man to check your appliance and gas system.

Don't try to light the gas oven without first opening the oven door, because the gas may accumulate within the enclosed space and cause an explosion when it is ignited.

Always open the oven door first, light a match, open the gas valve to the oven burner, and then bring the lit match to the lighting position about a second later. If a separately controlled pilot light is provided to assist in the lighting operation, it should be lit first and the main burner valve opened slowly. It should then be ascertained that the main burner is actually lit before turning off the pilot.

In fact, there are many types of appliances with different controls like pilot lights, safety pilots and others, for which it is always advisable to obtain instructions on the lighting procedure and sequence from the manufacturer or the gas company.

Chandler Hosts Luncheon for Amir Ibn Musa'ad

Chandler President William R. Chandler entertained His Highness Amir 'Abd Allah Ibn 'Abd al-Rahman Ibn Musa'ad, Amir of the Northern Frontier, at a luncheon given Sept. 4 at the Hotel Phoenicia. The function was one of a four-week private visit of H. H. Amir 'Abd Allah who was entertained at a dinner party hosted by the Saudi embassy by the Saudi Ambassador to Lebanon, Saud Daghaifat.

On Aug. 28, Executive Vice President Walter E. Locher accompanied His Highness and members of his party on a tour of States Terminal installations and a short cruise on Tapline's 80-foot launch, the Zahrani. The visitors had lunch later at thearine's dining hall.

A "before" snapshot of the improved area. With no man-made markers to identify the fill, it has blended into the landscape of a pit man-made by nature. (Photo courtesy of R. E. March).
4-YEAR JOB ON PIPELINE ROAD STARTS AT QAIS.

Contractors to Use Tapline Equipment

Work to apply an asphalt surface to the existing pipeline road between Qaisumah and Turaiq got underway at Qaisumah on Aug. 28. Contractors are endeavoring, surface treatment of the road will be completed within a period of about 4 years. It will be carried out by contractors working with Tapline equipment. On and company provided direction and inspection. Asphalts distribute, asphaltippiers, rock crushers, stone spreaders, additional graders, Kenworth motors and Tapline earth-movers are being acquired by Tapline in order to complete the surface treatment of the long highway.

The four-month job involves improved alignment, regrading and leveling of the road and application of a bituminous surface treatment. Drainage will be improved where necessary by blading deeper ditches on both sides of the road.

Work to apply an asphalt treatment. Concretes, with the Tapline equipment, are being acquired by Tapline in order to complete the surface treatment of the long highway. Drainage will be improved where necessary by blading deeper ditches on both sides of the road.

Rafha’s new police chief Amin Zakzook was entertained in August at a company dinner hosted in Rafha town by the Pipeliners’ Club. (Photo by Nasr).

OIL IN THE NEWS

Information matter reported in this column is compiled from and based on reports recently published in the following: The Economist, Financial Times, Petroleum Intelligence Weekly, and Petroleum News.

Tanker Uprising

The movement toward equilibrium in the tanker business has been vigorously reviewed during the past few months. Owners, tempted by the bargain prices quoted by shipbuilders desperate for business, have been ordering new oil carriers at an unprecedented rate. Many of these orders are for early delivery. Hence the tanker surplus, which has been gradually eliminated as the demand for ocean transport has increased, seems to be widening once again.

The condition is that freight rates cannot be expected to show much improvement for some time to come unless a sizable tonnage of new modern ships is sent to the scrapyards or withdrawn from the market under the stabilization scheme.

The rate in the carrying capacity of the commercial fleet (months of 1960 BWT and over in January-June 1963) was about 8 percent, which is probably less than the increase in the demand for ocean transport over the same period. On June 30, the world fleet amounted to 71.7 million deadweight tons.

A rise of this order in the carrying capacity of the world fleet would not only destroy the hope that equilibrium might fairly speedily be restored in the tanker business.

As already mentioned, however, the outstanding feature of 1963 so far has been the start of new ordering. Contracts for 6 million tons of tankers were signed during the first six months, a high proportion of this total being speculative building. Balancing the 2.3 million tons of vessels completed during the period, the total tonnage on order rose from under 13 million deadweight tons at the end of 1962 to nearly 16.9 million tons (equivalent to 1.189 T2’s) at the end of June; this is equal to more than a quarter of the existing commercial fleet. It is reckoned that 3.5 million tons of tankers are likely to be delivered to owners during the second half of this year, and possibly 4 million tons in 1964, a total of almost 12 million tons in 19 months.

With the speed-up in building, due to the adoption of modern techniques, the world’s shipbuilding capacity is in excess of normal requirements and cutwater competition abounds.

This situation will provide a severe test for the recently applied rate scheme, which was introduced in November 1962.

The scheme is to raise freights to 10 percent of the market rate, and to reduce them by 10 percent for each 1 percent of tonnage above 400,000 DWT that is not taken up by the market. The scheme will have a severe test, and its success will depend on the owners meeting the market’s demand for crude oil.

The sponsors of the scheme are the Ministry of Transport and the British Energy Corporation, and it is financed by a levy on the profits of domestic companies engaged in the oil business.

The scheme was introduced on July 1, and it is estimated that the total tonnage of tankers now in excess of the market rate is about 12 million tons.

The scheme aims to stabilize the market and to prevent the sudden rise of rates that have been experienced in recent months.

The scheme is expected to provide a solution to the problem of feeding the world’s rapidly increasing population.

Europe’s Oil Demand

Western Europe’s oil demand may go up another 18 percent this year to an average of 1.5 million barrels daily if half-half figures for the three biggest consuming countries (West Germany, France and the United Kingdom) are typical. Demand in these countries increased 18 percent, or 400,000 BPD, in the first six months of the year.

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PIPELINE PERISCOPE
Rafha
Ahmad Zain hosted in mid-August a dinner of stuffed lamb at Rafha town in honor of ... Garrison. Others from left are Nazih Sheikh, John Obaid, Salim Saif and Ali Muhammad Hijazi. (Photo by Sadeq Youssef).

Bizri on their promotion in Au—
22 and Sept. 9, respectively, as
the Sidon Terminal staff on Aug.
just started for the Charles S.
to Rafha at dinner on Aug. 11.
Warid, Ahmad Hamad, Abdullah
Samad entertained the newcomers
Amman
red here from Turaif in early
Beirut Rose Saowdah
Badanah
bury entertained the same group
a succulent dinner. George Lina—
who have returned from vacation.
Hanna Wanna and Saad Dabaghy,
PIPELINE PERISCOPE
Moussa Soulban
John Franjieh
John Nehme
A. A. Khatib
R. M. Weeks
Baasiri, Joseph Saft and Elias
made a one—day pipeline inspec—
tendent George A. Hearn and
Dr. Michel Khoury hosted another party to welcome Station
Supervisor and Mr. Abdul Rahman, on their return
from state visit to Jordan and to bid farewell to Mr. Shukri Soulban, as
he will be leaving for his vacation.
Manager of Public Relations
Salih Al'Arabi returns Oct. 1
from a nine—week vacation in
Athens with Mrs. Al—As'ad and

Qaisumah
Welcome home to Mrs. Dudley P.
Harbin who is off to the United States on holiday. On her way home, Mrs. Harbin plans to spend a week each in Beirut, Vienna and Frankfurt.
Welcome home to the Clarence P.
Beaurepas, back in California. On their
were served during the successful
function.
Beirut Clinic.

Badanah
De and Mrs. Jacob Thalib hosted a party at Badanah's residence in order to welcome Station Supervisor and Mr. Abdul Rahman, on their return from state visit to Jordan and to bid farewell to Mr. Shukri Soulban, as he will be leaving for his vacation.

The New York office has ad—
Dr. Michel Khoury obtained the Diploma of
Child Health from the Child
Health Institute at the London University. While in England, Dr.
Khoury attended the International Endoc—
men's Conference held in September.

More Employee Homes Completed

Stiff Operator Jamil Haroob (right) receives the keys to his recently completed Saudi House Plan Design home from Aramco Community Relocation Counselor L. Crosthwait as Operations Foreman of the site, George L. O'Halloran. (Photo by A. Touma).

Qaisumah
Bon voyage to Mrs. Dudley P.
Harbin. Mubarak's was the 13th S.H.0.P. home to be built in Qaisumah from left are instructor Mohammed Mahbou, Superintendent Counsellors at the Hotel
Phoenix, September 2—3.
E. G. Mandali, Amaran's Man—
ger of Local Government Bureaus,
M. M. Asfour, the Aramco}
Arabs representative in Riyadh; and
M. H. Henry, Assistant Council—
Local Government Bureau's New
York Office visited Beirut in early
September.

Dr. Nizar Turki, of Badanah, attended the International Endoc—
ocrinologist Conference: Seniors were, from left, John Brandenburg, John Nelson, Station Supervisor Dudley P. Harbin, Amateur School teacher Hilal, Aramco School, Mc. 133, Mr. Abdul, Mr. Abdul Rahman, Dr. Shadi Soufan, Amaran School teacher Syd and P. Crosthwait. (Photo by A. Touma).

Qaisumah's Amin Mohammad Khanchari and his Municipality Director, Yousef Sanam, gave a dinner party to Dr. Robert J. Quicks, Richard S. Shulsky and Construction Engineer Joe Soher. Shown above is Atallah's youngest daughter, Lavin. (Photo by A. Touma).
Temperature in Qaisumah during August ranged from a maximum of 119 degrees Fahrenheit recorded on the 7th to a minimum of 66 degrees Fahrenheit registered on the 31st.

New hires at Turaif are Fritz H. Gieseking, of Englewood, New Jersey, who joined Aug. 31 as supervising technician—diesel and gas turbine; Hans J. Slotboom, of Rotterdam, Holland, hired Aug. 23 as lead diesel gas turbine technician; Otto J. Meyer, of Rotterdam, also, enlisted Aug. 5 as station electrician and instrument man.

Saudi Arab nationals who have joined the Tapline staff at Turaif in August include shift foreman Sulaiman Muhammad, meter transit mechanic M. S. Tuwaiba, and materials specialist M. I. Musli and K. A. Abdallah.

New faces at Turaif are Bechara A. Z. Zemaitis, G. Randall, C. W. Galuska and R. A. Kennedy.

The Turaif welcoming mat is also out for Mechanical Engineer George Ziady, on return from a holiday spent with his wife and two children in Hammana, Lebanon; Mr. and Mrs. Edwin J. "Pod" Wright, on the United States where they attended the wedding, in Tyler, Texas, of their daughter, Linda; the Jan M. Gysens, on return from a trip, by pullman, to Europe; Mahmoud Jabe, duty nurse, on return from leave in Amman.

Dr. Rodolphe Sabbagha hosted a dinner party in August to celebrate the presentation of a five-year service pin to nurse Georges Murad. All of Turaif's medical staff attended the function.

Turaif visitors in August were C. W. Wardle, of Cummins Engine Corp., and P. E. Devoss, of General Motors.

Two-star emblems for completing 10 years of continuous service will be due to the following employees in October:

- Beirut: A. C. De Raad, of C. E. & I.
- Sidon: Sudki Youssef Yacoub, of C. E. & I.
- Jan M. Gysen, of Storehouses.
- Mahmoud Jabe, duty nurse, on return from leave in Amman.

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