

**De volgende bladzijden
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het boek “History of the
Royal Dutch”**

door Dr. F.C. Gerretson 1958

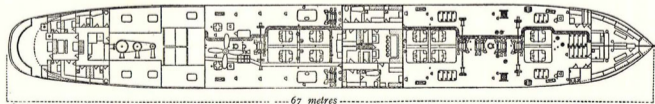
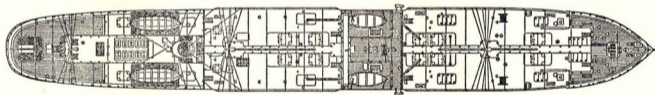
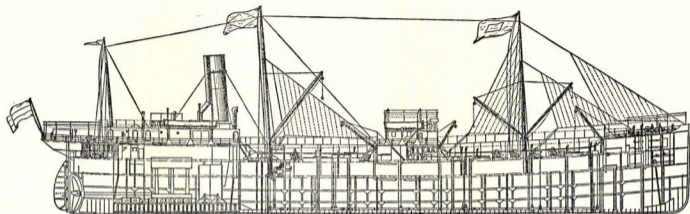
The following pages were copied from the
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F.C. Gerretson - 1958



to the Company's using its own establishments and building its own tanks that Deterding received instructions to go and discuss possibilities of co-operation in London. The preliminary results of the visit were favourable and Deterding set out again for India to pursue the conversations with the branches of the firm in Calcutta and Madras. In April 1897, he returned home for good. Apart from its immediate results, this journey had a great formative influence upon Deterding. It laid the foundation for his extensive knowledge of local conditions and cross-currents in the East which stood him in such good stead later on, when he assumed the leadership of the Company's transport and sales organisation.

XII

As good progress was being made with the building of the tank installations, it was now becoming an urgent matter to organise overseas transport in tankers. About the middle of 1897, the Pangkalan Susu establishment was completed. By this time Kessler was again considering going out East to organise this transport and for the purpose of a general inspection. Only transport in bulk would enable the enterprise to reap the full fruits of its expansion. When Pulu Sembilan was opened, freights to Hong Kong had already dropped from Straits \$ 0.43 to \$ 0.15. With the introduction of tankers, they would be still further reduced by more than 50 per cent. to about \$ 0.07 per unit. The first modest steps had already been taken by the Company to get together a fleet of its own. The first craft built for the account of the Company were not real sea tankers, suitable for long-distance voyages. The difficulty was that the depth above the bar of Aru Bay had been disappointing, with the result that ships of any draught at all were unable to take in full cargo at Pangkalan Susu, especially at neap tide. Consideration was given to a scheme for additional loading of sea tankers by means of tank lighters in front of the bar. In the end, the decision was taken to build a couple of small ships which would do double duty, serving as tank lighters and also for transporting products, personnel and material. These first small tank-boats, the Berandan and the Besitang, put in at Pangkalan Brandan in March and April, 1897. Their speed was from six to eight knots. They had a carrying capacity of only 370 tons and contained nine separate tank holds. They were fitted to carry packed oil or oil in bulk. In contrast with later models, the boiler was placed aft, behind the engine, with a view to keeping the fire as far away as possible from the cargo. They served principally in the Strait of Malacca and neighbouring waters. Despite their modest task, they have retained an excellent reputation with the veterans of the fleet. The Dutch



s.s. SULTAN VAN LANGKAT

designer of these little ships (the *Besitang* was launched in 1896 from the *Rijkee* shipyard at Rotterdam and the *Berandan* was built in England according to the same design) must have been an extraordinarily competent marine architect. They were built according to a principle that was generally adopted only much later. As the years were to show, it was a matter of indifference whether they were loaded with heavy or with light oil; they always lay neither higher nor lower than the mark, without its being necessary to sail with "slack tanks". In October and November, 1897, two slightly larger sister ships, *Halaban* and *Babalan*, were added to the number. They were somewhat more seaworthy and they likewise carried both packed oil and oil in bulk in the Indian Ocean, the China Sea and the Bay of Bengal. All these ships did excellent service for many years, except the *Berandan*, which became involved in the first of the fortunately rare shipping disasters that in the course of years have overtaken the fleet of the Royal Dutch. She sank in the Strait of Banka, in February 1903, on her way from the estuary of the *Lalang* river in Palembang to Pulu Sambu. The first real seatankers, which carried illuminating oil in bulk from Pangkalan Susu to the Company's own tank installations in India and China, were the *Tankerville*, which was chartered on December 1, 1896, and the *Astral*, which was bought in 1898 and renamed the *Salahadji*. The first seatanker to be built for the Royal Dutch was the *Sultan van Langkat*, a threemaster, launched at Sunderland in 1898, its construction having been much delayed by strikes. The Company's comparative lack of enterprise in acquiring a tanker fleet of its own was bound up with a problem which has been completely solved and now belongs to the past, but which for a number of years dominated the development of overseas transport in bulk. At the present day, tankers constitute a separate class of craft, with an all but independent freight market. But this has not always been the case. At the outset, it was assumed by shipbuilders and owners that tankers were to form part of the ordinary mercantile marine and were to serve not only for transporting illuminating oil in bulk, but other goods as well. This was bound up with the question of the return freight—one of the root problems of the shipowning business.

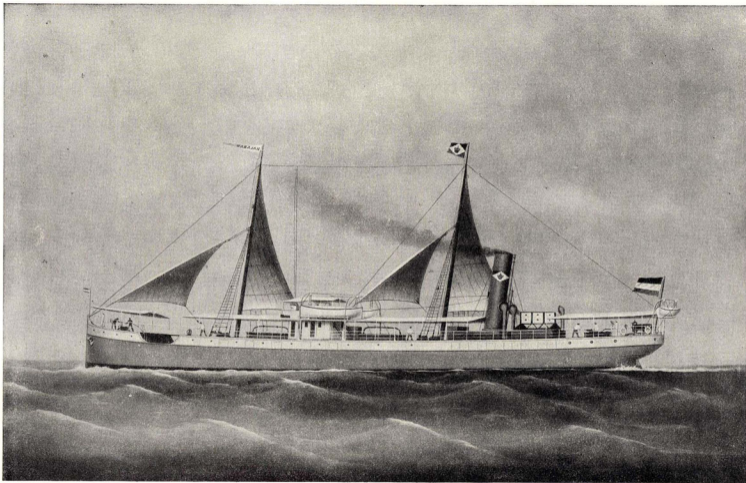
In the case of all overseas products, freights constitute an important price factor. The rate partly depends upon whether the ship can obtain a return cargo or not. Where this is not the case, the costs of the voyage out and home have to be borne entirely by the out-going cargo. The leaders of the Tank Syndicate were also thoroughly aware of this fact. It could not be disputed that transport of a specified quantity of illuminating oil in bulk, not taking other considerations into account, should be cheaper than that of the same quantity packed in tins and cases. It was a fact, however, that merchantmen

which were in the habit of carrying case oil from Batum to the East were as a rule unable to obtain return cargoes. It was therefore very much a moot point—assuming that tankers would have to return in water ballast—whether the tank-freight per unit of illuminating oil in bulk should not require to be higher than the freight per unit of illuminating oil in cases. Consequently, during the first years after 1892 and even up to 1900, tankers destined for Eastern waters were also fitted up for carrying general cargo. Great efforts were also made to have it attested by experts that the holds that were used for carrying illuminating oil could, shortly after unloading, be so purified and made inodorous as to render them perfectly fit for carrying grain, rice, coal, jute and similar cargoes. Indeed, it did seem at the outset as if tankers would be able to hold their own as ordinary freighters. "The shipowners," wrote Kessler, "appear to experience no difficulty in obtaining return cargo and in this respect it would seem that the enterprise will yield no disappointment." However, it was anything but certain that what could be done by tankers carrying out illuminating oil for the Tank Syndicate on the much frequented route to and from the East through the Suez Canal, could also be done by tankers regularly plying between Langkat and the ports West and North of Singapore. If no return cargoes were to be got on these trips, it was to be feared that tanker transport of the Langkat oil would prove to be relatively much more expensive than that of the Russian oil and that the advantage obtained from the geographical position of the enterprise, as compared with that of Batum, and reinforced by improvements in the port of loading, would again to a great extent be lost. Conversely, assuming that return cargoes were obtainable, the Company would be obliged to launch out completely into the very risky and difficult shipowning business. It was natural before taking this momentous decision to try to gain some experience first by chartering ships and it therefore calls for no surprise to read in Deterding's travel correspondence of his constant preoccupation with the problem of return cargo. In his view, it might well be possible to bring back coal to the Straits ports from Japan and Bengal. This early belief in the feasibility of using tankers for general cargo eventually proved to be idle. The writer's optimism dwindled more and more and in the end it was he himself who was to put an end to the legend of the necessity of return cargo for tankers. This view, however, was still relegated to the distant future. For the time being, return cargoes were considered indispensable. It was entirely in consonance with prevailing conceptions that the Sultan van Langkat was also completely fitted up for carrying general cargo, as can be seen from the derricks.

Deterding's recall led to one unexpected result of permanent importance.

or rather, like a jig-saw puzzle with which a number of different figures can be made, but the whole figure is spoilt if one of the blocks is wrongly placed".

The object of "controlled transport" was to create a system of regular supplies to meet the normal requirements of the markets. Herein lay the saving which constituted the economic justification for this new business organisation. Such a system, however, could only be built up on the foundation of lengthy experience. One became speedily accustomed to the regular curves of the seasonal rush of business. But, over and above this, entirely unaccountable ups and downs in the sales were encountered again and again. For instance, Bangkok, which on an average took no more than from 5,000 to 6,000 cases a week, would suddenly sell over 17,000 for several weeks on end. The great disproportion between storage accommodation and sales was another problem with which it was often necessary to grapple. Saigon, for instance, consumed more than 500 tons of illuminating oil a week, but only 1,200 tons could be stored. But, above all, the poor condition of a number of Eastern ports was a perpetual source of worry and an obstacle to the employment of large, fast, and heavy draught vessels. Bangkok, for example, had only 12 feet of water; Aru Bay and Palembang 16 and Batavia 18, while the Lalang, from where the Sumpal oil had to be fetched, was only navigable to ships shorter than 290 feet. Consequently, only small vessels could be employed in the Indian Archipelago. According to the agreement, the Asiatic would charter the vessels above 2,400 tons, while it would take over the smaller ones. The result of applying this agreement would be that the entire fleet sailing the Archipelago came under the British flag. There was no objection to this, so long as sailing were between ports inside and ports outside Dutch territory. But the poor quality of Borneo illuminating oil made it necessary to blend it with other oil. The Shell began by using Russian oil for the purpose, but later on preferred to blend its produce with the excellent illuminating oil of the Moeara Enim. The Borneo oil had therefore to be carried from Balik Papan to Pladju. Such sailings between ports in the Netherlands Indies were considered as coasting trade and, according to the shipping regulations of the time, were reserved to the national flag. It was therefore decided to incorporate into a Dutch company the fleet sailing the waters of the Archipelago, which was entirely made up of the smaller vessels. On May 6, 1904, the *Nederlandsch-Indische Tank-Stoomboot Maatschappij* was set up, in whose capital the Royal Dutch, the *Nederlandsch-Indische Industrie en Handelmaatschappij* and the Asiatic participated to the value of the vessels brought in by each of them. In this simple fashion, through the co-operation of the two companies in the Asiatic, a question was liquidated which only three years before—and fortunately for the last time—had threatened to arouse the old friction between



s.s. HALABAN