

Interviewee: Larry Baker

Interview: August 19, 2009

BOEM DEEPWATER GULF OF MEXICO HISTORY PROJECT

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Date: August 19, 2009

Place: Ingleside Point, Texas

Interviewer: Jason Theriot

Ethnographic preface: Larry Baker II followed his father into the offshore fabrication business at the Orange, Texas yard of the Levingston Shipbuilding Company, where Larry Baker, Sr., had worked since 1948. Larry Baker II started out in the 1960s as a pipefitter helper, rising quickly through the ranks. After spending several years in Singapore on assignment for Levingston, Larry Baker, Jr., returned stateside to find himself without a job. After a brief stint with Bethlehem Steel, the two Bakers founded Baker Marine in the mid-1970s, which grew during the remainder of the decade and into the 1980s to become an international leader in the fabrication of jack-up drilling rigs.

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File 1

JT: We're at Ingleside Point with Mr. Larry Baker, Jr. This is for the MMS Shipyard Fabrication Project. Today is August 19 [2009]. I'm Jason Theriot.

We have a nice view here of your neighbors, Gulf Marine Fabricators, right here. We may hear some earthquake-sounding during the course of this interview. They're jack-hammering a piling out in the back. Mr. Baker, if you need to take a break or a telephone call rings, just let me know and I'll just press pause on this thing [recorder].

So first of all, tell me about yourself. Where are you from? Where were you born and raised? And then, tell me about how you got involved in this business and how your dad got involved?

LB: That's a long story. I was born and raised in Orange, Texas. Levingston Shipbuilding Company was where my dad and I both got started. I guess we start in with saying that we both went to Singapore and worked on the Far East Levingston, at that facility. We came back to Levingston Orange. In the three years we were in Singapore, they had had a downturn in Levingston, and we had made money in Singapore, and there was a deal on the board of directors—a power struggle, if you will. Bottom line was that one part of the entity wanted my dad to take over the company, another part of the entity wanted to have somebody else take over Levingston. The part that wanted my dad didn't win. My dad still had a contract with Levingston, and so he was paid for a couple of years to sit at home and do nothing.

In Singapore, we had taken the company in three years it was 4 or 5 million dollars in the hole and made them 10 or 15 million dollars to the good. I came back from Singapore, thinking I was a hero, just to find out that I was fired. So I went to work for Bethlehem Steel and worked there for ten, eleven months. My dad came down to this yard, and this yard was IHC Holland LeTourneau; it basically amounted to an offshoot of R.G. LeTourneau, and then IHC Holland came in. They were building the first jack-up for Petrobrás. They had sold three of these jack-up drilling rigs, and they wanted my dad to come down to this yard and take a look.

If you can imagine, the company bought something that they really didn't know what they were buying, and the company sold three of something that they really didn't know what they were selling. They were building as they were designing. I don't remember the numbers exactly, but I'm going to give you some ballpark ideas. They sold three of these rigs for 8 million dollars a pop and they were going to cost 20 million dollars a pop to build, or something to that effect. It's not a moneymaking proposition for a first-time shipyard.

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In the course of pointing fingers, R.G. LeTourneau got out and IHC Holland took over. I don't know if you've ever dealt with the Dutch, but the Dutch have a tendency to be pretty hardheaded, and pretty class-conscious; very opinionated. They came in and they got Petrobrás to agree not to take the third one, the second one they would build in Holland, and the first one they would finish up here. Well, they got well into it and found out that they had no idea what they were doing, so they got my dad to come down here.

JT: In this yard, right here where we are?

LB: In this yard right where we're at.

Dad came down and he looked at it and they said, "We're thinking about making you general manager of this shipyard. We'd like you to go out and take a look at what we've got and tell us how much you think it's going to take to finish it."

So Dad goes out and takes a look at it, and I don't remember these numbers either, but I want to say he told them they had half million man-hours left, something like that.

They laughed at him, and said, "Hey, it was only 450,000 man-hours to build it. You're telling us this. We thought you knew what you were talking about. You don't know beans about nothing!"

Dad said, "Sorry I wasted your time," and went back to Orange.

About four months passed and they called him up and said, "Hey, we'd like you to come down here again. We'd like to talk to you."

He said, "Well, I don't think there's a whole lot of need, because we're quite a ways away and only time is going to tell which one of us is right."

They said, "Well, some time has passed and we want to talk about it." So he comes back down here and he looks at it. They said, "What do you think now?"

And he said, "Well, I think you've probably got 550,000 man-hours to go."

And they said, "You told us 500 last time."

And he said, "Yeah, but I made a mistake, because I thought you were through drawing. You've had twenty drawings come out of your engineering department since I left here. What you're doing out there is pretty much nonproductive for all the people. You've got probably 2,000 people out there."

JT: Working on one jack-up?

LB: Then he said, "Hey."

They said, "Well, we thank you, but we're not really interested." So he goes back home.

I think about two more months passed when they called him up again said, "Come back down here."

He came back down here and they said, "Well, we've decided you're right. We need some help. We've got to stop this. We had a vein cut and now we got an artery cut, and we got to stop this."

Well, there was a lot of problems in that they had a situation where they had a bunch of coon-asses, Hispanics, that had worked and knew what they were doing and so forth, and then some Dutch came in and said, "I am the boss. You're going to do what I say."

And when the coon-asses and the Hispanics said, "Hey, what right?" and they jumped all over them.

So you know what the Cajun did and the Hispanics did. They said, "Okay, you're the boss. I've got two choices. I can hit the road or I can do what you say."

Well, they didn't want to hit the road, so they said, "Tell me what to do and I'll do it."

I guess the best example of that was they had what they called a cutting department out here.

The cutting department would send out cut sheets that said, "Cut us doubler plates for pipe."

These doubler plates would be anywhere from two-inch pipes to thirty-inch pipes.

They'd say, "Cut me 200 of them," and the cutting department would cut 200 of them.

The next day, the Dutch gal would say, "Hey, we need these doubler plates. Send that out."

They would send the order out again. But the cutting department had cut those yesterday. So they cut 200 more of them. This would go on for weeks at a time.

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When we took over, we built fifty-two of these jack-ups, but I think we built eight or ten of them here. We never cut doubler plates. We used the doubler plates that they had cut on the first drilling rig for all those drilling rigs. That went down to pipe hangers. We never bought pipe hangers. We used pipe hangers that they bought because they'd say to the purchasing department, "do this," and they would purchase pipe hangers. We had doubler plates and pipe hangers running out our ears.

They'd send people down into a tank. You know, when you go into a tank, you've got an angle iron going across here and an angle iron going up and you've got a bracket in the corner, for example.

The Dutch would say, "You've got eight man-hours to put the brackets in the tank and eight man-hours to weld."

So they'd send a welder down in there, a fitter down in there, and he'd start putting up brackets. Well, if it took him eight hours to put up two brackets and there was two hundred in that tank, at the end of eight hours, they came out and they put them in another tank. Consequently, you had a whole drilling rig that none of the tanks were inspected, none of them were approved, and none of them were finished. It may have half the doubler plates and half of them were welded out, only that went to all the joints, to everything. It was a disaster, is what it was.

Anyway, Dad came down here and took over as general manager, I came down here and took over in the yard, and we proceeded to straighten that out and finish that first rig.

JT: Does that first rig have a name?

LB: *Petrobrás I.*

JT: Was it a four-leg or a three?

LB: It was a three-legged jack-up.

JT: What year was that?

LB: They started it in '69 or '70, and we finally got it out of here in '73, '74, something like that. What made this rig unique and what made it expensive is that it was a 300-foot jack-up. It had hellacious turning of the legs. They had to build the jacks and all this stuff. But on the side of the derrick they had a legged deal where the derrick could go over to a leg, put a clamp on it, pick it up, slide back, and set that leg down, so it could leg-up and leg-down by itself. It had a skidding system that went to all three legs, and as this derrick rotated 360 degrees, this climbing deal would go up.

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All of that had to be designed. I think they weighed about 150-ton leg section. Well, if you can imagine the structure that had to be there to go over and pick it up, turn it around, take it over, set it down, and unclamp, it was a pretty good little structure. Plus they had to figure out how to make it work with the hydraulics on it and so on. Anyway, we got that finished.

Needless to say, IHC Holland did not want to participate in the rig-building business anymore. So my dad made a deal with them that he'd buy the shipyard. So he and I bought the shipyard, and we had a payment schedule we worked on and so forth. The first jack-up that we built was *Transworld 64* for Transworld Drilling Company. I don't know where it's at, but there's a picture of it somewhere around here. These are rigs that we built here. The *64* is down there, I got a picture of it downstairs. Anyway, we finished building up the *Petrobras* and started building the *Transworld*. From that we expanded out and grew into building rigs all over the world.

JT: So this yard that we are at was the original Holland yard where they built that first jack-up?

LB: Yeah, this is the original IHC Holland. Here's a picture up here, to give you an idea. This was us here, right here. All of this was our yard. That fence that you're looking at that goes right down here like that, that's the fence line right there. This is all but filled in, Kiewit filled this in. Where this drilling rig is being built right now, Gulf Marine has gone in here kind of like this to cut a hole and put that grating on there. So this is all gone, this was filled in, and now they've _____ [unclear] kind of like that. This is one here, right here, and then there's another drilling rig being built here and then another one in the back.

It was a different time, too, I think. This is not the same rig as this one. That right there looks like a three-legged marine drilling rig.

JT: So Holland had dug this?

LB: This was already here. Then Holland got it.

JT: Any idea who had it before Holland?

LB: Atlantic Richfield had a crew boat deal there, way back when, and they ran little bitty crew boats in and out of there to service the little platforms out here. When we first came down here, Atlantic Richfield was still there and they had access through our yard, if you will, to go into their yard, because their yard was encompassed by our yard.

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JT: Interesting. So Atlantic Richfield and then Holland LeTourneau, then just Holland, and then they sold the yard to Baker, to you guys. And that first jack-up you said was started when Holland came here, that would have been in around '68?

LB: Yes. I think that's about when IHC Holland and R.G. LeTourneau tried together.

JT: Okay, that's the time of *Petrobrás I*. Then when did you guys break ground or bought the yard?

LB: I want to something like late '74.

JT: And y'all been here ever since?

LB: '73, maybe.

JT: Let me back up to the earlier days in Orange. Does your family come from a long line of carpenters, ship builders, industrial people?

LB: My dad came from North Platte, Nebraska. He came down and started in the shipyard as a ship-fitter helper and moved up to ship-fitter, then to foreman, and then he got hurt and went into the office.

JT: Why did he move from up north down to Orange, Texas? Was it to work in the shipyards?

LB: No, basically, he was in the Navy and he came down. He's like one of them Yankees that came down south and said he put ice skates on his back, when they asked him what that was, that's where he wanted to stay. That's basically Dad. He didn't like the cold, and he came down here to Orange to find a job and go to work doing whatever he could do.

JT: Do you know what year that was?

LB: He was in Dallas in '46, so he must have come to Orange around '48.

JT: Right when Levingston and Bethlehem are getting revved up to start building offshore equipment.

LB: Yeah. Dad was in the Levingston yard when the first jack-ups were built. I don't think the rig-building business actually started up anywhere until '54 or '55.

JT: '55 is when they built the *Mr. Gus*, which would have been the first jack-up.

LB: Dad worked on that one.

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JT: Then it capsized, so they built *Mr. Gus II*.

LB: Were both of those built in Levingston?

JT: I think Bethlehem or Livingston. I can't recall.

LB: That was for Marine Drilling, right?

JT: Yes.

LB: I think Dad worked on a *Mr. Gus*. I don't remember if it was *I* or *II*. Dad and Jimmy Storm were good friends. I must have come down here in '73, because I came back from Singapore in '72, and in '72 I worked on a marine-drilling jack-up. I was a ship superintendent for Bethlehem Steel; I worked for them as they were building a marine-drilling rig. Then when I came down here, Senior got a hold of Jimmy Storm, showed him what we were doing, and we built three or four marine-drilling rigs for them. I just remember some of our conversations; Jimmy Storm was one of the first offshore drilling, if not *the* first offshore drilling guy.

JT: Were you born in Orange?

LB: I was born in Dallas, but we moved to Orange when I was months old.

JT: How significant was shipbuilding for the local economy in that area, for a kid growing up?

LB: In Orange? Well, in Orange it was quite a bit, because Levingston was a pretty good size at that time and Bethlehem Steel was also here. There was another one across the way there.

JT: Weaver?

LB: Weaver was a very little yard at that time; they were doing small boats. But there was a big steel company that had taken over part of the Navy base there and they were making pipes. Those two, Levingston and Bethlehem, were the two pretty good-sized economy deals. I can't remember how many people they had employed, but they had quite a few. They had a pretty good impact on the economy in and around the Orange area.

JT: Did you graduate from Orange High School?

LB: No, I graduated from Little Cypress High School, which is a suburb or a community right outside of Orange.

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JT: Did you have a lot of people from South Louisiana who were your neighbors and worked at the shipyards with you?

LB: Oh yeah. A lot of people from Vinton, a lot of people from as far as Lake Charles and up and around Starks, and all the communities in that vicinity.

JT: I'm also interested in migration of Cajuns from Louisiana to Southeast Texas for another project I'm working on. Do you recall French-speaking communities where a group of these families lived, or maybe church parish communities, certain smaller areas like Little Cypress where you guys went to school? Were there small communities where it was just French Cajuns?

LB: I'd say no. Back in my time, there wasn't enough difference between a coon-ass and an Orange, Texas guy. There would be a little accent difference, but as far as we were all concerned, you were either part coon-ass or all coon-ass. The coon-ass jokes go around and so forth, but as far as differentiating a community, I know we had a lot of people that had heritage in Louisiana that lived around us, but I don't recall any demarcation or a specific group.

JT: What about like Cajun restaurants, seafood restaurants, Cajun music, or expressions of the culture from Louisiana that migrated to the Golden Triangle some time a hundred years ago. Did you experience any of that?

LB: Not that I remember, I didn't. I don't remember any restaurants or anything like you see in Abbeville or parts of Lafayette. I don't remember. There was probably some there, but in my growings up, I probably would have accepted them and not seen a difference. But in thinking back on it, I don't remember any that served Cajun food.

The fact of the matter is that one of the things I do remember is there was no place to get good gumbo. That's like down here, you don't want to eat any gumbo, and what they serve down here is inedible. I'm telling you. They got a place over in Corpus [Christi] right now—and I think it's some coon-asses that did it—Crawfish Daddy's, I think is the name of it. They had a sign up saying it was gumbo.

They're right across from Lowe's, and I come out of there and I thought, "Damn, I never tried that."

Wrong. I go see my dad in Maurice and we go down to Abbeville and eat at—have you eaten at Chuck's?

JT: Yes, sir.

LB: And eat at Chuck's and eat at several little places that are down there.

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JT: The Riverside Inn?

LB: Riverside Inn, that's in Broussard. That's some nasty shit, too. But there's a lot of places you can go and get good gumbo, but that stuff they had over there was really nasty. They got a place that opened up here in Aransas Pass and it specializes in gumbo. One day for lunch I come by and I saw they done that.

It looked like a coon-ass deal and I thought, "Damn."

JT: Just for your information, the fried shrimp po' boy there is not too bad.

LB: Where at? The gumbo place?

JT: Yeah.

LB: Did you try the gumbo?

JT: Oh, no. No.

LB: Don't. Don't. I asked them. If you saw the menu, they make seven different kinds of gumbo. I don't like okra in the gumbo, so I asked them if you could get crab and shrimp gumbo that it didn't have any okra in it. They told me they make it one roux, and then whatever you want, they put it in there.

JT: I figured that, because I was the only person in the restaurant for about an hour. They got a whole list of different kinds of variety of gumbo and I'm saying, "There's no way this is cooked fresh. There's no way this is cooked right."

LB: The gumbo, I think, is fresh in the morning, but it's all one. You want crab gumbo, you get the fish broth gumbo or brew, and they throw in whatever you want. But it's all got the okra in it. I'd say it's probably the closest I've seen down here. If you like shrimp, there's a place in Corpus [Christi] that's got good shrimp. It's not Cajun, but it's got good fried shrimp and it's called the Railroad Yard or the Railroad Seafood House? What is that place called that we like the shrimp at?

Unidentified speaker: Railroad something.

LB: Where are you staying at?

JT: In Portland.

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LB: In Portland. Well, I live in Portland. I'll tell you how to get there if you want to go try it tonight.

JT: Yeah, because I've got a buddy of mine that moved down here probably ten years ago. I hadn't seen him in a long time. He works at one of the refineries, so I'm going to team up with him later on this afternoon.

LB: The Railway Seafood Station, I think is the name of it.

JT: I think he mentioned that to me.

LB: They bring out the shrimp in a family style or you can get plates. They got a sauce; it's not a tartar sauce, but they call it a tartar sauce. It's a sauce that you can dip. It's got a little tang to it, and those shrimp are nasty, they're good.

We digressed.

JT: So when did you start working at Levingston, and how old were you?

LB: I went to college for two years.

JT: Lamar?

LB: No, I went to [Texas] A&M.

JT: In College Station?

LB: In College Station, and met my wife. She's from Orange. She's a coon-ass from Vivian, Louisiana, and didn't have a passport at that time. I don't know how she got into Texas. But anyway, that's another story.

JT: Was she born in Louisiana or her family was there?

LB: She was born in Vivian, Louisiana. I didn't know they had a hospital in Vivian, Louisiana.

But I got real, real smart, quit going to college, got married, went to work as a pipefitter helper at Levingston, and basically worked my way up like my dad did. I was in the Q.C. department, doing inspections and dealing with customers and A.B.S., and then I went to Singapore and worked over there for two and a half years.

JT: Did your wife go with you?

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LB: Oh yeah. She didn't like it, but she went with me. You want an experience; you take a little coon-ass that ain't been out of Orange, Texas. You take her little ass to Singapore and see how much fun you have.

JT: Did you have kids at the time?

LB: That makes it even better. We had a six-month old baby girl, and then my son was born in Singapore while we were over there. You want an experience, you just take that little gal away from Momma and Grandma, who don't get to see the baby, and you talk about first-class S.O.B. and you didn't even have to go to school for it. [laughs]

JT: Who was the deal with in Singapore with Levingston? Was there another financier or another partner?

LB: What happened was that Levingston was blowing and going at that time. When we went over there, Levingston was doing great. You know, the drilling industry did this and it was on this going up side and it had just about topped out and was headed back down, but nobody knew at the time it was headed back down. Levingston had a guy named K.C. Lee in Singapore, and K.C. Lee had him a little shipyard and he built a jack-up. I want to say he had built the Friede & Goldman rig. I don't remember exactly.

JT: Was K.C. Lee an Asian?

LB: Oh yeah, he was definitely an Asian. I don't know how he and Levingston got in contact, and I don't remember how, but anyway, they decide to set up a joint venture, and K.C. Lee brought out some books and showed Levingston how great and wonderful they did on this jack-up. They had like 3 million dollars in the bank and everything was great and wonderful, and Levingston could supply them with customers to build jack-ups and they'd have a joint venture deal.

They paid Dad to go over and be the general manager of this new joint venture shipyard, so Dad goes over, they sign up. I think Levingston got two swamp barges for Reading & Bates. I don't remember all they had, but anyway, Levingston got customers, money, and it was going to be built in Singapore, taking off. Senior gets over there, they go to work, and they had to finish up some Tidewater Marine supply vessels. Three or four months after, Levingston's in and they can't get out; things start to not be good financially.

People come in and say, "Hey, we waited ninety days. Where is our money?"

Tidewater came in and wanted to know when their rig was going to be delivered because it had a delayed deal on it.

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A salesman comes in and says, "Hey, I need a two-million-dollar bonus because I sold these Tidewater rigs." There were also the people who supplied steel and pipe and wire and all of that for that first drilling rig.

Senior was saying, "What in the world is going on?" And he goes in to K.C.

K.C. says, "Well, you need to go through the books."

Senior says, "I got the books."

He says, "No, you need to go through the real books."

Well, in the real books that came out, there weren't no 3 million dollars in the bank. They had lost about 7 or 8 million dollars building that first rig.

Levingston has got their name on the dotted line, Levingston's got customers, and they can't get out.

So they said to Senior, "You've got to do the best you can and get this done."

So Senior wheeled and dealt and told people to go to hell and got their numbers down to where they could live with and made that a going yard.

JT: What year was all this taking place? Early sixties, mid-sixties?

LB: Sixty-eight, '69, something like that.

JT: That was before the episode with Holland, correct?

LB: About the time Holland was getting their finger in the till, Senior came down here with Holland, I think in '72. So Holland was getting a good dose. They may have started in '68 or so.

JT: How long were you all in Singapore, two years, you said?

LB: Yeah, we were each there two, two and a half years.

JT: And you were a yard superintendent?

LB: Yes.

JT: How many rigs did you all build?

LB: I don't remember. I know we built a couple of swamp barges and we did the reconstruction work on the *Bull Run*. Do you remember the *Bull Run*?

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JT: Never heard of it.

LB: *Bull Run* was an Atwood Oceanics barge, a floater, it hit a gas pocket and sunk and then came back up.

JT: Where did it hit a gas pocket?

LB: Somewhere in Indonesia.

JT: When you say a swamp barge, you mean a submersible?

LB: No, the swamp barges were shallow water. They'd go ten, twelve feet deep into shallow water and sit down on the bottom. They were for Louisiana-type areas, shallow-water stuff. The Atwood Oceanics was a deepwater floater. We worked on that one and put it back to work. What happened when it sunk was that it hit a pocket, the water turned to foam and it wouldn't support the rig, so the rig just went down and all the foam came in. But when the bubbles dissipated, there wasn't enough water to keep it down, so it came back up. Then there was gas and it had a hell of a fire and a lot of heat. I remember the crane fell on the pipe rack deck. The crane got hot enough that it actually followed the pipe rack beams, so it got hot, and we had to rework that whole thing.

It seemed like we had a jack-up there, but I don't remember exactly all that we built. We built quite a few things at Levingston in Indonesia during that period of time. We had three shifts going.

JT: Was this equipment built to work in the Gulf or overseas?

LB: Most of that was going overseas. Some of the stuff came back here. I think the Reading & Bates stuff came back here, but most of the stuff was over there.

JT: What was it like living in Singapore, not necessarily at the shipyard itself, but the community, the culture, the food?

LB: It was different. You've got to remember, I was from Orange, Texas, not the metropolitan of the world.

JT: It's a big city, I understand.

LB: Oh, yeah, very big city. At that point in time they had a lot of Americans over there, and Americans looked down on the Chinese and the Chinese didn't like it. The Singaporeans didn't really like it. But the Americans had the experience and the Singaporeans didn't. Most of the Singaporeans had the book learning, but they didn't have the experience building stuff. So I don't want you looking down

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on me and I don't want to look down on you, and I find that very offensive, either way. I had a tendency not to associate myself too much with a lot of those Americans and the foreigners over there, because they all had an almost godlike syndrome that I didn't like to be around.

The Singaporeans were a fantastic bunch of people, their culture was wonderful. Lee Kuan Yew was there and he was a heck of a fellow. Have you ever heard of Lee Kuan Yew?

JT: Who is he?

LB: Lee Kuan Yew was a real visionary and he was the first prime minister of Singapore. You'd have to know the Chinese mentality and the Chinese way of doing things. Basically, the Communists were trying to take over Singapore.

Lee Kuan Yew came in and he said to the Communists, "Hey, you get me in power, we'll take over and everything will be great and wonderful."

Well, they had a vote and put him in power. The next day, he rounded up all the Communists, threw their ass in jail and said, "We're going to have a democratic-type society here and we're not going to put up with that."

He ran it for a long time much like a dictator would, but he was a good dictator. Like when he came to the United States and said, "Hey, I don't want your money; I want your jobs. I want to put my people to work. Send us jobs, send us work. That's what we want to do; we want to work."

He instilled a pretty good work ethic in the people. He had a social program. They had government subsistence if you didn't have a job. But if you didn't have a job, the government would help supply food and stuff to your family, medical care and so forth. But an inspector would come by and they didn't want any beer or any cigarettes in your house. Those were luxuries of the working people. You go out and get you a job and buy all the beer and all the cigarettes you want to, but when you're on government subsistence, you're going to get subsistence. He'd have them sweeping the streets until they found a new job. They would work and they'd get government subsistence and they'd move on.

He did several things like that which unified them all and put them all to work where they could get over their deal. He got a social security program going, where he said, "You're going to put 10 percent of your money in the CPS and the government is going to match 10 percent of your money, and you're going to retire at fifty-five. When you retire, you're going to have beaucoups of money because we're going to invest it for you and we're going to invest it wisely and it ain't going to be used for nothing else."

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It's not like our social security program. Most of the Singaporeans that retire now are either millionaires or close to it from that, from what he did. He was a hell of a hand.

JT: Was Bethlehem down there?

LB: Bethlehem came in and started a yard right down the street from where we were at, yeah.

JT: This is just an observation, but when Levingston and Bethlehem, two of the well-known shipbuilders during the time, come to Singapore, do you think that's had a bigger impact over the last four or five decades, with Singapore becoming one of the larger shipbuilding countries in the world?

LB: Oh, hell, yeah. With Far East Levingston, you're talking about Brownsville. They came back and started the yard down here. It's Keppel now, but it was Far East Livingston who started it. Keppel Shipyard at the time was Old Navy English stuff and they were having hell. They had a graving dock, but God couldn't afford to do anything there and they didn't really have the expertise to do anything. They knew how to do some ships, but they didn't know how to do that very well. Like I said, God couldn't afford them. I mean, it was layer after layer of bureaucratic stuff.

Bethlehem came in, Levingston came in, Far East Levingston started, and Baker Marine came back after we got started. We went back over to Singapore and started up a manufacturing plant there to build jacks. We got into working with Promet; we got Promet going and building some of our stuff. So yeah, the offshore industry was Bethlehem and Levingston, and I think we had a big impact on it with what we did with them. Yeah, it got those guys going big time.

JT: They took the reins and they ran with it, huh?

LB: Yeah.

JT: I wonder if they had guys like you all who worked at some of these early yards as foremen or leader men, and then went on to invest or open up their own fabrication business down there, or is it really all government initiative?

LB: No, some of the Singaporeans were involved. Brian Chang [phonetic] got started in building dump boats and digressed into supply vessels and then into jack-ups. We knew him when he was building dump boats. I went over to his yard and they were taking long pieces of wood, putting them inside of a piece of bamboo, running steam down through it and getting this thing hot, and then bringing it out of this piece of bamboo and sticking it up on a bunk boat so they could get that curve to the deal. I saw his yard and he went on to build Promet and now he's

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building in in China. He's sold Promet, went to China, and got one of the biggest shipyards in China.

JT: Was Promet a shipbuilder?

LB: He started Promet as a rig builder. They built rigs.

JT: In Singapore?

LB: In Singapore. They built some Baker rigs and they built some Friede & Goldman rigs. They got going big time.

JT: How were the workers in Singapore compared to those at Levingston in Orange?

LB: They weren't as experienced. At that time they didn't have the stamina, if you will, of a coonass from Louisiana that stomped around the swamp. They couldn't go as long and they didn't have the knowledge, so it took more of them to do to get the same work done. It took more man-hours, but they were cheaper man-hours.

JT: No ten or twelve-hour days grinding and cutting?

LB: They could go ten- or twelve-hour days and we'd have ten- or twelve-hour days, but you wouldn't get ten or twelve hours of work out of them. They just didn't have it. They do now, but they didn't at that time.

JT: All right, let's get you back here. So you and your dad went back to Orange for a while. You worked at Bethlehem. This would have been the early seventies.

LB: Seventy-two, somewhere.

JT: When things weren't going so well for both Levingston and Bethlehem. Like you were talking about, that wave, the trough was starting to come down basically for the entire shipbuilding industry in the U.S. Would you agree with that it was in the early seventies?

LB: It wasn't good in the early seventies. Petrobras had bought those rigs probably at the peak and it was kind of going down. When we got this shipyard, the peak bottomed out and started up. We were able to hit the market on the going-up side and that going-up side lasted longer than average. Most the time the cycle lasted two- to three-years. This one lasted from about '74 to about '81, and then the cycle didn't go downhill. Instead, in about '81 it just turned and went more vertical, in a freefall.

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We tell the story around here that, in a six-month period of time, we went from telling people, “We cannot build you a rig,” and the guy’s going to sue us for not building you a rig, to guy’s going to sue us to get out of building the rig.

We had a guy who had a quote. All of our quotes were based on prior commitments, so we’d quoted him a drilling rig and told him, based on our prior commitments, that we had one slot open, that it was first come, first served, and so forth. It took him about three months to get his finances where he could go on.

So he came back and said, “Okay, I want to do it.”

We said, “Hey, our yard is full. We can’t do it now. We got another rig in here and we can’t do it.”

So he filed papers to sue us because we wouldn’t do that. We ended up working something out where built a rig for him but we built it somewhere else and got that over with. But we had a commitment and we were well into building a rig and the guy come in and says—

JT: The same guy?

LB: No, a different one. The market had turned around and he wanted to sue us to get out. We said, “Sue us.”

We’d already bought the steel and cut steel. We had it well underway of going, and we were saying, “You’re going to pay us what we’ve got into it.”

He wanted to pay for just the steel. We were saying, “You can have the steel and you can have whatever. We want our man-hours that we’ve got in it.”

But anyway, within that six-month period, it went from “Sue you because you won’t build me a rig,” to, “Sue you because you are building me a rig” type of thing.

JT: Let’s talk about the seventies, after you guys came in and salvaged the Holland episode and built your facility. By the way, do you have copies of any of these photographs floating around, especially one of the yard and some of the earlier rigs?

LB: I don’t think I have any. I got these out for you.

JT: That I can borrow and copy?

LB: I’ll give you this. That’s got a copy of the yard when it was blowing and going. And this is the first drilling rig that we actually built here. There’s not one of the

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Petrobrás rigs in here. This is some of the stuff that we designed and built. There's another copy; I think it's the same picture. I don't know if you want this or not. This was a company that we started, and this was horizontal drilling to drill under rivers and buildings and all that kind of stuff. We pretty much pioneered that part of it. I'll give you those three.

JT: Oh, wonderful. Do you need me to mail these back to you after we make copies? Fantastic. So this photograph is 1984, '85. Is this image of your yard with the rigs in it was from that time period?

LB: Let's see. That's probably 1984. This picture was probably taken in '83 or '84, I think, just by looking at the rigs that are in here. We had three rigs we were building at one time right here in this yard.

At one point in time in the late seventies, early eighties, we were building 25 percent of the rigs in the world. We had a license agreement with Promet in Singapore, and one with Far East Levingston. Then we had one in South Africa, one in Brazil, and one in Egypt. So we could build rigs wherever in the world they wanted to go. We built two rigs in China, too.

JT: Well, we'll have to get there. Let me stop you there for a second. Are you in any type of time constraint? Because I don't want to keep you longer than is convenient for you.

LB: I need to get over to Corpus in a little bit, but go ahead.

JT: Besides the refineries, as far as offshore oil and gas equipment, what other industries were here when you took over the Holland operation in the early seventies?

LB: Atlantic Richfield was here.

JT: About how many crew boats do you think they were running? Couple dozen?

LB: No, they had probably four or five.

JT: They weren't building them? They were just running them.

LB: No, no, they were just running them. They probably had four or five they were running out of here. As far as oil and gas, there wasn't a whole lot going on. I mean, we were the only ones building rigs down here. Then CBI came in, Chicago Bridge & Iron came in.

JT: They were up the road a bit, right?

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LB: No, they were part of this yard. We moved our stuff around so they could build part of the Gulf Marine yard here. Then they had the French come in, had the other part of Gulf Marine yard down there. I don't remember when Peter Kiewit Company came in. Then it was Gulf Marine and then they bought out Chicago Bridge & Iron. This thing has changed hands so many times, I can't even start to tell you. I think now somebody down in Morgan City owns it. It's Gulf Marine but it's owned by—

JT: Gulf Island.

LB: Yes, I think it's Gulf Island.

JT: Originally out of Houma.

LB: Is it Houma? Okay. I thought it was Morgan City. But anyway, they've got it, and the latest I heard is that they're looking for a way out too. They've got a tiger by the tail and they didn't know what they got into either. They didn't have any idea how to do this; they've run through managers and people and foremen.

JT: So when y'all got here, did y'all bring a bunch of hands from Orange? How did it work as far as your personnel?

LB: Basically we came in and worked a deal with the people that were here. We didn't try to run off a bunch of people. Well, I won't say we didn't; we did run off a bunch of people, but we got in some people from Orange. Levingston was going downhill, so we also got some people from Levingston. We got people we knew what they were doing to come down here and help with what was going on and then try to work with what we had here.

There were some no-goods, but there were also a lot of good people. The people had been brow-beat to the point that they did what they were told, period.

I know in my yard, I got them all together and I said, "I'm a problem solver. I solve a problem. When you've got a problem, you bring it in here to me. If you can't solve it, you bring it in here to me and tell me what the problem is and what your solutions are, what alternatives are and what goes."

And I said, "From that, we'll come up with a solution. But don't you come in here and say, 'That doesn't work,' because if I'm the one that's going to figure out how to make that work, I don't need your ass. I can figure out it's broke. If I'm going to be the one who has to fix everything, I don't need you."

So both Dad and I both said that, "If I'm going to do all the thinking, I don't need your ass here, and everybody needs to understand that."

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Those that didn't understand that, those that came in with the old "This doesn't work" deal and wouldn't step out of the envelope, we didn't need them. We'd run their ass off.

It didn't take long before people realized, "Hey, they want some people that are doing some thinking."

So we got innovative thinkers coming up with ways to solve problems, and it wasn't just Dad and I anymore. They'd bring in problems and we would work out a solution together. We would figure out the most economical way to solve whatever the problem was; construction, jack-ups, or whatever was going on at the time.

JT: You ran the yard; your father ran the business early on. Who were the design engineers, the structural engineers? Did they come from Orleans as well?

LB: No, they already had some really good engineers here.

JT: Where were they from?

LB: Some of them were from Bethlehem, some of them were from R.G. LeTourneau.

JT: So you had jack-up experts working on these things.

LB: No, we didn't have jack-up experts per se; we had design experts. We had design staff that was good at designing stuff, but they had to have the real-world mentality put into them. Many times they would design stuff and when you'd look at it, you couldn't build it. I mean, it couldn't be built because man couldn't physically do what they designed to do.

Let me tell you a little tale. You see this crane right here? See where the cables come up from the crane, and you see that spreader right there, and then the actual moving cable comes up into those pulleys, and then there's those cables that go up to the top? That spreader right there had a 300-ton Mantis Walk wringer [phonetic]. At that time, that was a hellacious crane. In fact, it was the biggest one around here, being a 300-ton crane. Nobody had anything like that in the mid-seventies. Well, it fell and it broke that part.

So I went back to Mantis Walk and I said, "Hey, Mantis Walk, I need me one of those."

They said, "Six months or a year."

I can't do six months or a year. This is a simple deal with four pulleys in it.

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So I go down to the engineering department and I said, "Chester." Chester Hall was the chief design engineer. Hey, Chester Hall could design whatever you wanted done. He could make it work. So he comes in here.

JT: Was he an old Bethlehem guy?

LB: No, he was a LeTourneau guy. He comes in here, and I say, "Chester, I need me one of those. Go out in the yard. We got the one that's broke. Take some measurements off of it, draw me up on of those damn things, and I'll have the manufacturer just build us one."

We'll put it on because we could get the boom; we could get everything that was all right, except that piece that was screwed up. So he came back in here, and I don't know what that damn thing weighs. I'm going to say it weighed 500, 600 pounds. In comes Chester and he lays it down.

He says, "Here you go."

I look at it. Damn, this thing is built out of maybe three-eighth plate. It may have some one-inch plate on it, but very damn little. Chester Hall's thing is built out of inch-and-a-half plate with some two-inch plate on it, and so forth.

I said, "Chester, the crane won't pick up the piece you built. Can't do that."

He said, "What do you want me to do?"

I said, "Go back, look at this one, and come up. We've got all kinds of exotic steels that we can put into this, you know."

He goes back down, and then he comes back up. He's cut the thing in half, tickled to death with himself.

I said, "Chester, damn thing still weighs four tons. You've got to get it down."

We finally got him down to where he didn't have the safety factors in it that he needed or that he wanted, but he had got it down, and we built the damn thing. It was still heavier than the original, but it was good, and that was the kind of thing that they had.

Then that was part of what happened at LeTourneau and IHC Holland, is that kind of mentality. There was nobody here that would say, "Nuh-uh, no. I'm not an engineer and I can't engineer this, but I can tell you that ain't going to work. Now go back down there and get me something that will work."

JT: Lack of experience on the ground.

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LB: We had a whole bunch of engineers that we brought in here. We'd bring a young engineer in, we'd put him in the yard, and we'd say to him, "We're going to hire you, but you're going to work as helper in the yard for four months before you go into engineering down here."

And a lot of them didn't do it. Fine. But what we wanted to do was we wanted that engineer to realize that when he's built some kind of structure that had this in it eight foot long, there is no way to get in there. I mean, they actually had some stuff where they had to tie people's feet together and lower them down, and the welder was welding upside down type of stuff to weld the inside of shit. Well, you can't inspect it. You can't weld it. So it was a learning deal for everybody involved.

JT: That's a great story. Let's talk about the glory days, so to speak, the booming seventies up to the crash. How did your company grow so fast and become so international so quickly? Was it the price of oil? Was it the price of drilling? Was it your father's ambition? What explains a little small company like Baker suddenly becoming an international company and one of the leading dealers of jack-up drilling rigs?

LB: IHC Holland and LeTourneau had a hell of a product. Let's see that book. They had a hell of a product that we got, in that these little darlings right here, these jacks, were revolutionary. They weren't the only ones, but they were hell on wheels, if you will.

JT: The LeTourneau jacks or the jack-up rig?

LB: The elevating deal became the Baker jacks. With mine and Dad's expertise in real life, if you will, and putting what they had together, we made a hell of a product, and the market recognized that. Then there was my dad's ambition, my dad's willingness to gamble, his willingness to take on different things. He had a picture out there that says "Lead, follow, or get the hell out of the way," and that was his mentality. He wanted leaders and he got people to lead into doing the work. So all the factors coming together with the rig market, the price of oil went up to the point that people would loan money to build drilling rigs. If you had any expertise at all, you could go out and get money to build a jack-up drilling rig, because you'd get a four-, five-year contract for that thing in a New York minute. And all of those factors came together at one time where it made a booming situation.

JT: The LeTourneau jack-up design, was that a patent for LeTourneau? How did you guys acquire the knowledge for that?

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LB: When we bought this shipyard, we bought it all. We bought designs, we bought the yard, we bought everything, so we got the whole shebang. But they had built the jack-up. I was telling you about Chester Hall. Chester Hall and George Pelementier [phonetic] were the daddies of this here. Chester was the drawer; George was the thinker and the designer and had some Bethlehem Steel expertise. George drew drilling rigs, and those meshed together with Senior's driving force to make it a jack that would work. The first rig had forty-five jacks, forty-five pinions. Every pinion had its own hydraulic motor and its own pumping system. It was a nightmare to operate, because if one pump didn't put out like the other pumps did, one pinion wasn't taking the load, so everybody wasn't getting a load.

What we did was that we made it into a system whereby there was only one pumping system. There were forty-five hydraulic motors, but there was only one pumping system, so every motor saw the same pressure. Therefore, every piston, every pinion, got the same loader and went up and down, and made a hell of a product out of something that needed some fine-tuning.

To give you an example, when we first tried to jack-up the Petrobas rig, a Chinese fire drill don't even start to explain what went on. They had I don't know what you know about pumps, but they have a servo that moves. You've got a swatch plate, and it's like a prop, and this servo moves this prop, where you're pumping more oil. We'd start up and go to jack up and sit there. One pinion's hauling ass, and one pinion's just going slow, and one pinion's kind of in the middle. I mean, it was a disaster.

JT: It was leaning.

LB: Well, it wasn't leaning because we had no real big load on it, but it wasn't sharing the load like it was supposed to. We all got hit with what is known as hysteresis. Had no idea what hysteresis was, didn't know it existed. But what it amounted to, or what hysteresis is—are you familiar with that?

JT: Never heard of that.

LB: Hysteresis is the line loss in electric wire in the line absorption. You take some cables and you lay them in a cable tray. If you look at a cable, it's got a magnetic field around it, so the next one's got a magnetic field around it, the next one's got a magnetic field around it. What happened was we had all of these cables going to these servos laying in lines. They laid in lines with a 240-volt cable. They laid in lines with everything, goes from the generator up to it. Hysteresis was saying to this line that we got going to these servos, hey, you get more, you get less, you get more, you get less, depending on where they were located. So consequently, everybody went ape-shit, you know, and we said, well, damn, what do we do? How do we cure this?

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Well, what we ended up doing was encasing the lines and moving them away from all that so that there would still be a certain amount of line loss, but we could compensate by it electrically. To you it doesn't sound like much, but to us it was a major disaster.

JT: You had to go in and rewire everything, but first you had to figure out what the problem was, right?

LB: First we had to figure out what the problem was, and it was a major problem because forty-five jacks had to be rewired. Well, when you're talking about 300 feet across each way, you're talking about some major work to do. It's one of the reasons that we went to one unit where it could all be controlled and then we'd do it with hydraulics.

JT: So the hydraulic jacks, the way you described it, were pioneered by Baker?

LB: Yeah.

JT: So you guys would build the deck in this yard? Where would the legs be? Did you built the legs here too?

LB: As we got going, we built some of rigs entirely here. Well, we had Cudahy field over in Corpus. We built jacks and so forth there. Then we had manufacturing over in Ingleside and we did the machining there. We built the legs here for the first drilling rig and partially for the second. As we got going, we didn't have the facilities to build all the stuff, so what we could pawn out at times, we would pawn out. For one marine drilling, we had Livingston build the mat-supported jack-up, we built the platform, and a French company down here built the legs for it. Then we brought it all in together and assembled it here.

JT: Right here in this yard?

LB: Right here in this yard. That's the picture you saw, one of those over there, where we were doing it. The stuff in Singapore and Brazil, all of those jacks were built here or built at Cabinets field [phonetic]. Then Singapore started building parts of the jacks over there, too.

JT: Then around '75, I think, is when Brown & Root opens up a yard in Harbor Island, and then not too long after that, you've got Shell Cognac coming out and then Bullwinkle. So in the eighties, Peter Kiewit and Gulf Marine comes to you guys. Then you got some other industries here, some competition. Tell me about how this area, this landscape, this industry began to change in the late seventies with more industries coming in.

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LB: Well, we got into a situation. First off, we were happy they came in because we were having trouble getting welders and fitters. When they came in, it gave a bigger base for people to come down here and go to work and they had a choice of places to go. The way we ended up, we'd get their workers, they'd get ours. A lot of time we were swapping people out because they'd come to us for a few pennies more and go to them for a few pennies more. Basically it was a good deal because the more opportunities there were down here; the more people would come down and try to get into the deal. There were several programs set up to teach welding. We taught welding; the other yards were teaching welding, so we built a hell of a welding group out of all that.

We didn't have a whole lot of LeTourneau—I mean Harbor Island. They didn't really affect us one way or the other. As I remember, they didn't last long. I mean, they were there for a long time, but they weren't blowing and going very much.

JT: Myron was telling me that it's really hard to convince workers to skip here, there, to go to Harbor Island. There are just not enough living facilities, it's too far, there's not enough constant work, there's not enough infrastructure on the island to justify a year-round operation.

LB: Yeah.

JT: McDermott still owns that yard today, right?

LB: I think they do, yeah, but I don't know for sure.

JT: Are they building anything? Are they just keeping it?

LB: Every now and then they'll get a little platform, a little structure or something over there, but it's not much. I don't go over that way very often. I haven't been over that way in a while, so I really don't know.

JT: How many jack-ups did Baker build from the seventies to the downturn in the eighties? Were you guys were knocking two or three a year?

LB: Sixty; from Hull 01 to Hull 60. Hull 01 was the first one, and Hull 60 was the last one. Hull 1 was started 1/15/72, and Hull 60 was started in India on 12/1/83.

JT: When was the last one built?

LB: 12/1/83.

JT: Was that Hull 60?

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- LB: That was Hull 60. That was built in India.
- JT: When was the last rig built here?
- LB: I don't know. I can't really tell you right off.
- JT: Sometime in the early eighties, I'll assume.
- LB: Yeah, it would probably be '81. I'm going to say it got started somewhere around '81, '82.
- JT: Who were some of your top two or three customers over the years?
- LB: I'll just read you the names down here, if you want to. Pool Company [phonetic]; Transworld; Rain Drilling [phonetic]; Ran Brothers [phonetic]; Houston Offshore; Marine Drilling; JLP Well Service; Phoenix Management Corporation; JFP; Loflin Brothers [phonetic]; Diamond M; Rain Drilling; Zapata; Huff Nance; Citco; Magnum; Arabian Drilling; Magnum Marine; Triton Industries; Brinkerhoff; Western Oceanic; International Marine; Salvage Drilling; Stewart & Stevenson; Petrobras; People's Republic of China; MKK; National Oil and Commission; and ONGC.
- JT: Can I take a look at that? Wow. That's fascinating. Most of them are in the Gulf of Mexico, but some of them off Africa and the Arabian Gulf and a few went off to Indonesia. That's interesting. Did you guys ever lose one?
- LB: What do you mean, lose one?
- JT: Or the company that bought them, did you ever have a casualty offshore where rigs overturn or it had problems?
- LB: Best of my knowledge, we've had three rigs in our time in all put together. We had one Pool rig caught on fire.
- JT: I'm going to pause here.
- [Begin File 2]
- JT: All right. Here's part two.
- LB: There were three drilling rigs that I can think of off the top of my head. Pool Company had had a well blow out, and the fire burned the rig up. Nobody was hurt on it, as I remember right. They evacuated but ended up scrapping that rig. There was a rig in for National Petroleum Company in Abu Dhabi. Then there was a Stewart & Stevenson rig that was built in Brazil.

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They had some problems with it, and they wanted somebody to come over to Abu Dhabi so we sent a man over to look at it, and they had a big bureaucratic mess. Nobody wanted to do anything, nobody wanted to rock the boat. But, anyway, he calls up and says, "Hey, the jacks on this rig, the brakes, are terrible. I don't want to go back on it. I'm off your rig and I don't want to go back on that rig. I told them that it's not a matter of what is going to happen; it's just a matter of when it's going to happen. The rig is going to fall down."

I'll explain this a little bit. When you jack the drilling rig up, you've got a pinion, like this, it's climbing up a deal. All right? I got a jack downstairs I can show you. But he's got a hydraulic motor that's turning here, and he just climbs up this rack on this leg. That's the jack. It's a very simple, heavy-duty piece of iron. When it gets to the top or whatever point you want it to get to, and you stop, each pinion has got a break band on it, and it's got two brake bands on each pinion. These brake bands are much like the old Model-A-type brake band. It goes went around the deal, and it clamps to it. That's exactly what it is, only it's big time. These things are about yea-wide, and there are two on each one of them.

We have an operator's deal that tells you when there's pressure to a hydraulic motor. In other words, when they can turn, the brake will open up; when there's no pressure, the brake closes. The hydraulic head's got a big spring that pushes it down. There's a method of measuring how much movement you've got, so you know how much wear you've got in that brake band. Those brake bands hadn't been changed or adjusted in ever. When I go on a Baker jack-up, the first thing I do is I go and look at the brake bands.

There's a cylinder there, and you can just visually see; there are supposed to be three-and-a-quarter inches worth of steel showing. If there's more than that, it ain't good. If it's less than that, it ain't good. It tells you [snaps fingers] like that. You can take a tape and put it up there and tell it in a minute.

When you walk around the drilling rig, you can look and just quickly see whether this rig had been taken care of, whether those jacks had been taken care of. If those brakes aren't adjusted, there is nothing protecting you. You've got to remember; you jack up a Baker drilling rig, when you get to the top and when you lock it off, two things protect your ass: the grace of God and the brake bands. If you don't take care of the brake bands, you've got one thing taking care of you, that's the grace of God, and he doesn't do well with fools. These guys did not have any material left on the brake bands. The material was gone and it was strictly down to just rust and metal on metal.

JT: So is this a maintenance issue? Is this something that has to constantly be maintained?

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LB: *It's supposed to be maintained.* You're supposed to look after that, and it's just a matter of changing out the brake bands. It's just like your old Model A was, and this is where it came from. It's just a souped-up Model A brake, an old mechanical brake. As that spring goes down, you adjust it so that it's just traveling a certain area, and as that brake band wears out, you have to take it off and put another brake band on there. Well, there are two brake bands on each pinion. The rig will hold up with a full load with one brake band on each pinion. We're talking pinions per leg.

JT: How many are there?

LB: It depends. Some rigs will have two pinions per leg; some will have fifteen pinions per leg, depending on what size the drilling rig is. Well, if you've got two pinions per leg, you've got four brake bands per leg. We designed that rig so that one brake band on that leg will hold that rig up. We don't want to do that; we don't tell them they can do that, but that's physically what they can do.

I'm telling you all this because we wrote them a letter and said, "We won't go back on the rig, and those brake bands are gone. You're up there only by the grace of God. That rig is going to fall." And the letter said that. "So we don't know when, but that rig is going to fall down." And our man came home from Abu Dhabi.

JT: So the rig was offshore?

LB: The rig was offshore Abu Dhabi. Four months later, we get a call that says, "Your rig is not worth a shit." Well, it just so happens somebody was out there filming it, and guess what? It did come down. But as it came down, the jacks were burning up. Well, what happened was when it started coming down, and the momentum just getting more and more and more, those brake bands were trying to hold, but there wasn't anything there so it was just rust, and it looked like smoke coming off of the deal because the rust was flying off of there.

What happened to the rig was it was like this, and it came down and went over in the water. Well, when it came down, it came down too fast. There were two or three guys hurt in different manners and so forth. Nobody was really hurt real bad, but they were banged up and beat up and that kind of thing. They made some noise about coming after us, and we said, "Hey, here's the letter."

JT: You got it documented.

LB: "We told you it was going to happen, and we told you six months ago that that rig was going to fall down and we wouldn't go back on it. It was unsafe." Anyway, that went away.

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We had one other rig that did basically the same thing. They had a broke pinion. It was a matter of stupidity. It was a four-legged jack-up, it's got two pinions per leg. Well, they disengaged one of the pinions and then jacked the brakes loose on the other pinion, and then they had a brake band that was not any good back here in the back. They knew it was not any good for eighteen months, and had stuff back and forth on it that that the brake bands hadn't been adjusted in eighteen months.

JT: Is this something you can fix offshore?

LB: Yeah. Yeah, it's a simple procedure. In fact they had bought the parts and the pieces two days before this rig collapsed. But the guy, when he went out to work on the rig, he forgot it.

He calls back and says, "Hey, I forgot it at the bank. If we send it out here, it'll take a day for it to get out here on the crew boat."

The man at the office said, "No, we don't want to do that. Just go on about the next drilling rig, and we'll fix it later." And that's what had happened all along. Anyway, that one fell over too.

There was one guy who died later from a heart attack that may have been part of it. There were several guys that were hurt, people hurt their backs and so forth. That's the only case that they did come against us. We had a million-dollar policy, and it was a 27-million-dollar drilling rig. The insurance company gave them a _____ letter [unclear]. Anyway, the insurance company letter says that if you take it and go on to court with this and you lose, you're going to be responsible for 27 million dollars.

The company looked at it and said, "Hey, we can pay a million or we can take the liability for possibly losing 27."

And I'm sitting here saying, "Folks, wait a minute. No, look. Here's all the information you got," and we had a shit pot full of information. They had jacked this rig up, knowing that it didn't have brakes on it. They had jacked it, overloaded it. I mean, it was a bad deal. Anyway, the insurance company paid off. It's the only time we've ever had any product liability claims against us.

JT: Let me ask you a couple questions and then I'll wrap it up. I know you've got to get to some places. What I find interesting is that not only did you guys set up and establish a yard here to build jack-ups, but you guys also had other little businesses in and around the area building parts and pieces to it. You were telling me that the jack itself was manufactured here in Corpus Christi?

LB: Corpus Christi.

JT: Was that a company you owned and started up just to build the jacks? Where was it at?

LB: Cabinets Field and Cudahy Field.

JT: Where's that?

LB: Cabinets Field is off of Saratoga, it was the old Navy base. If you go over to Corpus and get over on Saratoga, you'll see that the Navy's still got a runway out there where they're having touch-and-goes. That's all they have. I don't know what hangars are now, but we bought those hangars and fabricated the jacks over there.

JT: And you just trucked them over here to install them.

LB: We just truck them over here and install them here, or truck them to Houston to go to various countries in the world.

JT: Did you guys actually start drilling yourselves?

LB: We started a drilling company with JFP Weld Service. We bought a company and did some drilling, yeah.

JT: In the Gulf of Mexico?

LB: Yeah.

JT: Was it successful?

LB: The market had gone belly up. We ended up selling it to MKK.

JT: Was this in the eighties?

LB: Yeah.

JT: What was the Energy Resources Corporation? Oh, that's directional drilling.

LB: Basically took our jack, put it on a truck and turned it sideways. See that? You got a picture. That's our jack turned sideways, and what we'd do is we could push a pipe underneath and pull it back. So we could drill underneath, get on the other side, put a big reamer on it, and then we got enough power that we can pull that whole damn rig down in the hole if we wanted to. We would pull that thing back through there, reaming that hole out so we could get, I don't know, thirty-

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two-, thirty-four-inch pipe. We could just pull back across. We made some of it longer. For a long time, it was the longest crossing in the world.

JT: So you guys did work for pipeline companies?

LB: Yeah.

JT: Very interesting.

LB: We drilled under the Houston Ship Channel many times. There are all kinds of stories about that.

JT: So it was mainly for laying pipe under rivers and areas that you couldn't just lay a pipe on top.

LB: Yeah. Sometimes you couldn't lay a pipe on top. Like in Florida, we laid a pipe down alongside a bridge underneath, so you didn't have to go in and dredge it and fill it in and so forth. If you needed to go from over there to the other side of this, we could drill all the way under Baker's property and never bother Baker or Gulf Marine.

JT: You guys got involved with Brown & Root? Baker Brown?

LB: No, Jim Brown was a guy that we had and made a company with him to do some engineering work.

JT: Did you all actually build some platforms offshore?

LB: Yes. You see that barge crane up front here? That's Papa Bear crane. What was the hurricane that came through Houston in late seventies?

JT: Alicia?

LB: Alicia put all the barges up on the bank down there. We took the crane down there, picked them up, and put them back in the water for them.

JT: Did you guys have an office in Lafayette?

LB: We did.

JT: Was it a fabrication facility?

LB: It was a company that we bought Hart and made it Hart Baker. We made platforms for barges to go out and sit down on inland, lay barges and did piling and that kind of stuff for them and.

JT: Were you here the whole time? Were you in Ingleside for all of this?

LB: Yeah. Everything came out of this office at Ingleside.

JT: You have a brother, right? Older? Younger?

LB: Younger.

JT: And he's not in the business?

LB: He's in Lafayette. He was in Hart Baker business and he was into the Berko business for a while, but he's never been really into construction.

JT: Now, what about you? You have kids, I assume?

LB: I got a son.

JT: Are they involved? Are they interested?

LB: He's gone right now, but he just came in a couple years ago. In fact, it'll be two years, I think, in December that he came in. In fact, he's going to take over doing what we're doing.

Right now basically what we're doing is selling parts for all of the rigs that we've built over the years. We've sold a few bearings and a few gears over the years. All of our rigs are getting in the thirty-year-old category, and some of our customers are deciding that they want to do something. They just re-geared the first rig, the *Transworld*.

JT: Is that first one you were telling me about?

LB: Yeah.

JT: I'll be damned.

LB: The first one we did, the *Transworld* rig, they just revamped it and put new jacks on it. We're selling parts for the Baker jacks. We got some parts going down to one in Maracaibo, Venezuela. But we're selling a few parts now for things that are wearing out. Things speak pretty highly that they lasted thirty years before they wore them out.

JT: That's older than me, man, almost.

LB: Yeah.

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- JT: I'm almost that. I'm thirty-four. That is a long time ago. So, are you manufacturing the parts here?
- LB: We manufacture some of the parts in Corpus Christi. We have a guy there that will do part of it. We manufacture the gears and other parts over in Houston. We buy some of the stuff and get at least some of the machining done in Corpus if we can. We don't do any manufacturing ourselves. We'll do an inspection and that kind of stuff. There's just the three of us here that are selling the parts and the knowledge.
- JT: Baker's port was an idea your father had, but that pretty much went by the wayside when the bust came in the eighties, I imagine?
- LB: Yeah. The Corps of Engineers stopped us from doing what we needed to do, we ran headlong into the Corps of Engineers and the environmental people.
- JT: That was another question that I had. It seems that there's been an awful lot of landscape change, all these little islands right here. But before we get to that, what do you call this right here?
- LB: La Quinta Channel.
- JT: La Quinta Channel. Was that here when you all were here, or did that come later?
- LB: It was here when we got here. I think they dug the La Quinta Channel in '58.
- JT: Obviously it was a big benefit, but how big of a difference did it make that you guys were right there on La Quinta and not down the road in the Intracoastal or maybe Harbor Island?
- LB: That made a heck of a difference because we were protected from bad weather, from waves, and we were right on the deepwater channel where we could get anything in here that's big enough to float.
- JT: How deep was it?
- LB: About 35, 45 feet.
- JT: So you would skid it off. You'd skid the jack-up right off right here and it would float?
- LB: We did that, and we got pictures of one of them. We built the first one on dry land.

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JT: Yeah, right in the middle.

LB: Well, that one was skidded off. That's in Singapore. But the first one, the *Transworld* rig, we built it right here. We actually dredged out from underneath it, floated it out, and then filled the hole back in. So that would have been right over there about where those tanks are, where the winch is. That was all dredged out and we floated the rig out and then we filled the hole back in.

JT: So this is where they built Bullwinkle?

LB: That's where they built Bullwinkle. The end of it was right about where the end of that one is, but it went more parallel to this fence line.

JT: That must have been massive to walk out here every day and see that thing.

LB: Oh yeah.

JT: All right. Well, let me wrap it up, Mr. Baker. I know you have to run. I think I just got a few more questions. In the maintenance dredging that's done, is that what is creating these little islands in and around this area where the two canals intersect?

LB: No, this was the Intracoastal Waterway that comes up here. The ship channel is out there. Both the Intracoastal Waterway and La Quinta ship channel were cut through land, so those islands were made basically because they cut off the land. The same going down this way and out here, they did that. A lot of it, they put the spoil up on that other side or whatever, so that's where those came from, but the majority of that is from what was already connected, and we cut it out.

JT: So when these guys right here, Gulf Marine, dug the pit to build this—what do they call it?

LB: Graving dock.

JT: Yeah, this piece of equipment right here. Where do they put that dredge? Is that what's piled up up here down the road, those big pits?

LB: They didn't dredge it; they trucked it up there. That's why I say they picked it up with a big backhoe and put it in a truck. A lot of times they picked it up with a backhoe, picked it up with a backhoe, picked it up with another backhoe, and put it in the truck and trucked it up on that hill up there and dumped it. Then they came back down and got him another one, and that's how they got that big hole. It's expensive.

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JT: Is there a way for me, before I leave, to walk out and take a picture, so I can get those cans in the hole?

LB: We can walk over there and you can see, but you can't see down in the hole because it's full up.

[Begin File 3]

JT: So you guys went from building all these jack-ups to selling parts. What happened? Was it the eighties that the industry could not come back from? Was it the eighties that Baker Marine could not come back from? What explains that turnaround in twenty years?

LB: In the eighties, most of the shipyards in the United States went belly-up. Damn near all of the rig builders went belly-up. Almost all of the steel mills went belly-up. They either went out of business or went into something else. One of the things that Myron's group, my group don't really appreciate was the government bailing out the car industry when we know an industry that got hurt bad and we didn't do anything to cause it. I mean, when I say we got hurt bad, the price of oil went down and the market went to shit.

JT: There was no help from the government.

LB: There was nothing. We didn't ask for and didn't expect any help. I mean, one of the privileges of the United States—and my dad has always said and did—you can become anything in the United States. You can become all you can, or you can go bankrupt. That's also a privilege. What happened to us is what happened to everybody. There was no market. When the market turned around and started going, it never really came back to where there is an abundance of drilling rigs being built.

There is about the same number of drilling rigs. There is not a heck of a lot of difference in the number of drilling rigs in the world today and the number of drillings rigs that were in the world in '82. It's changed somewhat, but if you look here. Did you ever see this? You look at the numbers, they haven't changed that much. It's the utilization and the contracts, but there hadn't been that many drilling rigs. More attrition has got them. Most of our drilling rigs are still out there, they're still going.

JT: I guess the life of the shelf has somewhat petered out so there's not as much of a demand for drilling on the continental shelf for rigs that can go in 350 foot of water?

LB: I think to some extent, but I was looking the other day, I mean, in here. I don't know if it's in this one, but in one of these, they were talking about the number of

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sections that they leased out. They're still leasing out in the shallow water too, I mean in the 300-or-less foot water depths.

JT: They've gone deeper under the ground.

LB: I think that's probably what they're doing; they're going deeper. That's still a jack-up area, but they're doing it with what's here more than they are. I think Obama and Pelosi and their crew got them pretty well scared as to what they're going to do as far as cap and trade. You know, one of the problems like this thing out here, it's taken him from design and from "Let's think about doing it," and he's probably been three years getting to where he's at now.

JT: Who's he building it for?

LB: I'm not sure what company it is.

JT: But this is Gulf Marine Fabricators, which is a subsidiary of Gulf Island, a company out of Houma, that's building this. Is that a drilling and production facility?

LB: I think that's right. When he gets it out of there and gets it going, he'll probably be five or six years before he gets anything to the bank and gets starting to get money out of it. Basically, we're talking about ten years. We're talking about people who can think ten years down the line as to what is oil and gas going to be, what demand is going to be, what it is going to cost me to ship it out and to ship it in. When they start on this cap and trade and all this, those folks are not going to be quite out there. I mean, they're going to have a lot more variables to throw into their deal and how much they're going to do.

I diverged from where you were heading. But what happened to us was that we never saw an upswing in the market to where we really wanted to get back in, hire the people back, or get more people to come back. We never saw the flow where we could pick up and go again.

JT: Was deepwater drilling not an option for you guys? Did you considered building a deepwater drilling facility in a thousand feet?

LB: We looked at it. We had the design for deepwater, but you're talking about hundreds of millions of dollars for those things. You're talking about 5 or 6 million dollars just to get it ready so you can go out and bid the thing, and we weren't really ready to put that kind of money in to gamble that much. Does that make sense?

JT: Yes, sir. Did you guys sell the land where you had built all these rigs on? Did you liquidate assets as well during the eighties?

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- LB: At one time or another, we liquidated a lot of assets; basically all the companies that we had to where we're just now just selling the parts and pieces and doing engineering work. We can subcontract that out to different people. When people want to have an inspection, we can go inspect rigs for them and tell them what they need to do. They call in here and they got a problem, we help them with their problem and sell them parts if they need it.
- JT: Who, if anyone, is building new-generation jack-up rigs in the Gulf of Mexico right now? Is LeTourneau in Vicksburg?
- LB: I don't know that LeTourneau; that was bought out by—
- JT: Is it Signal?
- LB: No. There's another company got in there that's got the Vicksburg yard and Vicksburg deal, and I don't think they're building any rigs. I think they're trying, but I don't think they're building any. Then there's something in Pascagoula, Mississippi where they're building a rig or two.
- JT: So there is a little bit of jack-up new construction going on, but very little.
- LB: Very little. What do they have going on in Brownsville?
- JT: It's still Keppel FELS. To my understanding they're building a couple of Scorpion jack-ups.
- LB: I wonder where. I haven't been down there in years.
- JT: I think they had contracted to build a couple of them over the last five or six years; some big ones, really expensive ones. I think that they're also doing a lot of refurbishing.
- LB: Yeah. Most of the people are doing refurbishing. The old gambler, the _____ [unclear] guy that would go out and hook up to build him a new rig, that group is pretty thin right now. Those guys are not real frequent flyers, if you will. So more of them are saying, "Hey, let's refurbish what we've got and go on." That's what happened to us.
- JT: Was refurbishing something you weren't interested in either? Like TDI in the Orange area, they got into the whole refurbish market, the Covingtons down there. I mean, it is somewhat of a new industry now since the nineties. Was that something you all considered?

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- LB: By the time that the nineties come up, we had pretty much let this yard go. We didn't have the facility out here anymore, and it would take quite a bit to get the land, to get waterfront where we get stuff in and out. So we just didn't get into that anymore.
- JT: So by the nineties, it was basically no more new construction. You all had decided to let most of the company go and to just continue with what the market could get for you. Now, what about when Kiewit moved in with Bullwinkle? Tell me just a little bit and then we'll wrap it up here. How big of an impact did Kiewit have here? You could see it, driving up. That big yard down there is kind of impressive-looking.
- LB: Peter Kiewit and Myron were a big entity. They came in and they did the Bullwinkle and they did what they had to do. They were a hell of an impact on the economy and the people around here. Myron and Peter Kiewit are good community-minded folks.
- Peter Kiewit got in a little confab with his partners; Myron might have told you about that. "You make the price and I decide which way I'm going to go," and they decided to split up. He took the money and he went over there and built that yard. They've done the same thing over there that they were doing here. They made money. They've worked hard being good community leaders and good community people. They're good folks.
- This thing has changed hands so many times, as I was telling you, I don't even know. I've never even met the Gulf Island people. I've had conversations with the general manager over there, I call him the next week and he's gone.
- JT: Myron was telling me that after Bullwinkle and then in the nineties they decided to build a yard here. It was very interesting to me, anyway, that they had done a feasibility study to build a permanent big shipyard for deepwater work. They looked everywhere in the United States, especially in the Gulf of Mexico, and this is the yard that they determined was the best possible place because of location, because of channel, because of weather, because of labor, and because everything else that was available. I thought that was very interesting. You wouldn't think of some place in Corpus Christi and Ingleside, in this day and age, being that attractive to a big company to put in big resources like that.
- LB: Well, it's like you named them off. They got deepwater access right up to their dock. They've got the people. They got the resources. They got everything they need, and it was an ideal situation for them. You take anywhere along the Gulf Coast that you know they can do that, and there are not very many places.
- JT: The labor that's in this area, do they live in Portland? Are there little suburbs around there?

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LB: They live all over. They live in Portland. They live in Refugio. Some of them even live in Victoria and drive down here. They live in Corpus Christi. They live on the other side of Corpus Christi. They live in Sinton. You can go forty-five-mile radius from here and there are quite a few people that they can get in.

JT: I'm going to say thank you very much, turn off this recorder, and just ask you a couple questions on the way out.

[End of interview]

