

Mr. RANKIN. According to my figures here, and according to figures you give us, Mr. Miller, it would cost about six times as much to take it by rail as it would to take it by water, or probably a little more than that.

Colonel THOMPSON. Right now the movement of petroleum products and crude to the East from the producing field is costing the companies who are moving it around \$600,000 a day, or nearly \$1 a barrel more than they are getting for it, and the cost to the industry is about \$560,000 a day, due to the pressing need of getting it and due to the fact that the cost of transportation has gone up.

Mr. RANKIN. Mr. McGann calls my attention to the fact that the railroad transportation would be four times as costly as barge-line transportation and about six times as costly, I believe, as tanker transportation. I want to get those figures in the record for ready reference.

Colonel THOMPSON. So I want to say, Mr. Chairman and gentlemen of the committee, that I certainly hope that this intracoastal canal will be officially authorized to be completed, and that the pipe line will be laid just as promptly as possible, so that Texas can supply this oil that is so badly needed by the people in the East and the Northeast. We have the oil, and we are able to produce it in greatly increased quantities, and we feel that we have conserved our resources in such a way as to be ready when the need comes.

Mr. RANKIN. Whether it came out of Texas, Oklahoma, New Mexico, Kansas, Mississippi, or Louisiana, it would have to go over this same barge line.

Colonel THOMPSON. That is right, and you are going to have great discoveries in Mississippi, too, Mr. Rankin.

Mr. RANKIN. The oil from that entire field would go through this barge canal.

The CHAIRMAN. I would like to have your view about this point, please, Colonel: From the figures on the cost of transportation by the various carriers, it is a foregone conclusion, is it not, that if peace is ever restored and the tankers are returned to us that these other means of transportation will become obsolete, will they not?

Colonel THOMPSON. You mean these pipe lines?

The CHAIRMAN. Yes.

Colonel THOMPSON. That is, the pipe lines will become obsolete?

The CHAIRMAN. Yes; they cannot compete with the tankers, that is, the coastwise tankers.

Colonel THOMPSON. I think, Mr. Chairman, that actually we are going to have the most phenomenal demand for gasoline that we have ever known, with all of these hundreds of thousands of airplanes and other new means of transportation worked out, that we are going to see the greatest demand that we have ever dreamed of. Now, our past experience in this respect will seem as nothing, and all of these methods of transportation will be needed to meet the demand.

Mr. RANKIN. I was just going to say that a pipe line does not serve the independent oil producer. It serves the monopoly, the big concerns, does it not?

Colonel THOMPSON. In our State, Mr. Congressman, the pipe lines are common carriers, and anyone who wishes to can ship his oil over them.