

The CHAIRMAN. Is not Mr. Hall first? Then we can come right on around with the questioning.

Mr. HALL. I have no questions at this time.

Mr. PENNINGTON. First, in building a pipe line across Florida—I do not like to say a pipe line because we have this condition: On the east coast the refining capacity is 714,000 barrels a day. Bear that in mind. Those are refineries that handle 714,000 barrels of crude oil per day and convert it into usable products on the east coast, including from Charleston to the north and south. On the Texas coast our refineries can handle a total of 1,200,000 barrels per day. That total is 1,914,000 for the two coasts. The inland of Texas is 300,000 more barrels, and in Louisiana 180,000 barrels.

Mr. CULKIN. Could not that go up in its present state up to the refineries in the northeast?

Mr. PENNINGTON. That is the point I wanted to bring out.

If we ship more crude oil than can be converted when we get to the capacity of the east coast refineries it would not do any good to ship any more crude oil. Do you see?

Mr. DONDERO. Could we transport the oil through these pipe lines with profit?

Mr. PENNINGTON. Yes, sir. And that is a point I want to bring out.

Six hundred thousand barrels per day are needed of our product. That would have to be refined somewhere else than on the east coast when finally loaded.

There are three classes which have to be transported. For instance, we have clean and dirty tank cars. We have the clean tank cars for all kinds of gasoline and kerosene. Then we have other cars for Diesel fuel oil for—we should call them—compression ignition engines. That is a clear oil, 32–36 gravity. It is distilled. Below that it becomes fuel oil, which is a dirty product, so-called, and crude oil. You cannot mix those products. You cannot transport gasoline through fuel oil because it will gum the engines up. So, you see, you have to put the fuels in separate pipe lines, because of the three products, aviation fuel, motor fuel, Diesel engine fuel, and furnace oil fuel, fuel which is crude.

Mr. CULKIN. Do you mean to say you have to have four distinct pipe lines?

Mr. PENNINGTON. Three.

Mr. CULKIN. Three.

Mr. PENNINGTON. Because of the refining capacity.

If inside on the east coast you send all the crude through but one 24-inch line, as you heard General Reybold say, and we will correspondingly transport 250,000 barrels a day, we still need 600,000 barrels a day. That would be merely to keep the railroads up to capacity. That one pipe line will not do it, and neither will a 24-inch pipe line from Texas to New York.

The CHAIRMAN. And the 24-inch line would only occupy one type?

Mr. PENNINGTON. That is right, one type.

Mr. DONDERO. Are those types evenly divided in consumption or are they just that which is needed?

Mr. PENNINGTON. No; they are not equally divided in quantity. Gasoline will run a great deal more than in fuel oil. In approximate pipe-line capacity they would pretty well balance.