

has so occupied the time of the Petroleum Coordinator's Office that I have been unable to prepare a formal statement for presentation; and, since I have no formal statement, I want to say that I have no objection at all to interruptions for questions as I proceed.

The Petroleum Coordinator's Office is charged with the responsibility of maintaining an adequate and continuous flow of petroleum and petroleum products for use by the military forces and for supplying the essential civilian needs at all times and in all cases at reasonable prices.

Since Pearl Harbor and since the development of enemy action along the east coast, that responsibility has developed into quite a chore. As you probably realize, the United States as a whole is not confronted with any petroleum shortage as such. The situation that we have in the Atlantic Seaboard States, in which we find ourselves progressively shorter and shorter of the petroleum products which contribute to our wheel economy of today, is wholly and entirely the result of transportation dislocations brought about by the war.

I would like to touch briefly upon the supply-and-demand conditions which make the situation what it is today. Here on the Atlantic seaboard we are in the habit of using an average of about 1,600,000 barrels of petroleum and petroleum products daily. Contrary to the condition existing in other sections of the country, our greatest use is during the winter months, when so much fuel oil is necessary for commercial, industrial, and domestic purposes. A great deal has been necessary for production operations in the industrial sections, and that use has mounted considerably since the war began. During the summer months our gasoline use has been larger, of course, but it has not been sufficient to bring the total consumption to the required amount during the winter.

This amount of 1,600,000 barrels as the average is a rather settled figure, although it might be more now if it were not for the restrictions on transportation. However, the fact remains that the supply is a great deal less. This 1,600,000 barrels used daily prior to the war was brought to the east coast largely by tankers, or almost entirely by tankers, I would say, because the small amount of oil coming in by pipe line and tank cars was relatively insignificant in terms of the total supply. Since Pearl Harbor, or since the advent of submarines along the east coast and in the Gulf of Mexico, the amount has been much less. The situation has changed, and the amount coming in by tankers is relatively small, indeed. On the other hand, we have had to develop overland transportation to a point undreamed of 6 months or a year ago, and the oil companies and railroads collectively are truly doing a superman job in bringing as much as 652,000 barrels of oil per day to the eastern seaboard last week by operating tank cars, and, in addition to that, the movement by pipe line has been stepped up to the maximum degree possible. The movement of barges along the inland waterways has also been stepped up. The movement by barges along the Gulf of Mexico coast and by tankers still continues to some degree. That movement in connection with the pipe lines to the Southeast has been improved materially. However, much remains to be done. There is a rather hard-boiled assumption made of our minimum requirements here on the Atlantic seaboard, and when I say "minimum" I mean the amount of oil necessary to keep our indus-