

3. Arrangement of east coast refinery operations so that minimum amounts of crude oil shall be used by refineries which are making petroleum war products; and so that heavy fuel-oil production will be increased at the expense of gasoline.

That means making more fuel oil and less gasoline.

The statement continues:

4. Apportionment of an additional 100,000 barrels of east Texas crude oil into the East daily in order that refinery operations in this area may be maintained at 400,000 barrels daily.

That 400,000 barrels daily, of course, is the minimum amount that must be refined to supply fuel-oil products which the refinery industry in the East is called upon to produce.

The statement continues:

6. Movement of 10,000 additional barrels of gasoline daily into the East by Great Lakes tankers.

7. Supplying of the Southeastern States from points of entry on the Gulf coast and the Mississippi River.

That is what I referred to when I mentioned coastal movements.

The statement continues:

8. Utilization of rail facilities for movement of at least 100,000 barrels of oil daily up the Atlantic seaboard from the South.

If those rail facilities are not available, as hoped, some substitute means will have to be found, because from the South to our Atlantic seaboard is one of the areas which seems to be least cluttered up by transportation at present.

Mr. RANKIN. You referred to the transportation of 400,000 barrels daily from the East Texas field. Why not include the Louisiana and Mississippi fields. They produce about 500,000 barrels a day in those two States, do they not?

Mr. ALLEN. Yes, sir; and actual movements are being made from those points. Attention was called to Texas because Texas is furthest away from New England at present, and is suffering far more severely as a result of its obstructed outlets than are Louisiana, Arkansas, or Mississippi. New Mexico is suffering even still worse.

Mr. RANKIN. Of course, what we are after is to get oil to the East, and it seems to me the shorter distance you have to bring it the more you can bring over the same lines and at less expense.

Mr. ALLEN. That is true. However, our big reserves of oil are in Texas, and peculiarly enough Texas is used to producing just about the amount of oil that the east coast consumes, roughly around a million and a half barrels a day.

At present the situation in Texas is tragic, and in New Mexico also, because of that obstructed outlet, which precludes the movement of sufficient quantities of oil out of Texas to enable the producers of that State to have enough income to amortize their bank loans and pay operating expenses. It is a case where shortage and inconvenience to consumers in one district results in a parallel shortage and inconvenience to producers of another district a thousand miles away.

Mr. RANKIN. Right in that connection, what we are looking for, and what we are interested in, is the other end of the line, in giving the oil to the seacoast.

There is the Mississippi field, with 100,000 barrels a day, on the east side of the Mississippi River.