

They allocated most runs to the paying back of the loans, reserving enough for operating expense and for personal living expense. The result of this emergency was to cut the allowables and also cut the producing days in half or more, has resulted in this particular instance that these men are getting so far behind on their payments to the bank and the insurance company that the entire output could not meet them, until last week they were compelled to transfer their holdings to other interests having outside assets to take care of it. That particular situation is distressing. These men would not complain at all, of course, if they felt that their liquidation would win the war. But they have what we need for the war. And the difficulty is a transportation difficulty solely. But they have been liquidated because of this emergency. And that is just one situation. There are plenty of them in the Southwest where a number of small operators are trying to operate.

Mr. RANKIN. That is one of the greatest arguments I have heard for a barge line against a pipe line. I cannot get it out of my head that a pipe line has to be Government owned or it is going to fall into the hands of a monopoly. If these independent operators can get their material out it would enable them to protect themselves against these monopolies, would it not? What is your thought about that?

Mr. CHILDRENS. I think so.

We believe first and foremost the barge line ought to be completed. We favor, of course, the installation of the pipe line as far as it will help by the immediate installation of that. But we believe we must take the long-time view of it with reference to this war and be prepared for it and have the canal across there to help us win the war.

Mr. RANKIN. Here we have an Intracoastal Waterway cut in two for want of a canal across the Florida Strait.

Mr. CHILDRENS. This bill proposed by the chairman is heartily supported by the independent oil people and all operators throughout the Texas area.

The CHAIRMAN. I will state, Judge, that I had that bill prepared at the instance of those people because I thought it would help save them from bankruptcy under present conditions, and to supply the needs, believing they could not supply it by any other means.

Mr. CHILDRENS. It looks now as if it is the only real hope they have.

Mr. JOHNS. You know, Judge, there are quite a number of other businesses in this country that find themselves in the same position as the independent oil producers. Do you not think the oil people could go to that same source?

Mr. CHILDRENS. What source do you refer to?

Mr. JOHNS. We have a bill, which will be considered in the House in a few days, to take care of all businesses such as you are speaking of now. This is a bill that is not special legislation but will look after the independent and all oil producers as well as others who are in all kinds of small businesses.

Mr. CHILDRENS. It is a help to them, Mr. Congressman, but our opinion is, those from Texas, that it will help a great many other industries by having this intercoastal canal.

Mr. JOHNS. If you build a pipe line across there that will carry enough oil necessary for national defense would there be any use for a canal?