

that committee I want to say now that we are in favor of every method that we know of that has been proposed to move oil from Texas to the markets.

As most of you are aware, the oil business has three principal phases—production, transportation, and refining; and then sometimes the refining comes in the middle of the transportation, and sometimes it comes after the transportation. The man who is in the middle and has the control of the transportation controls the oil business.

The independents have depended upon major pipe lines and tankers—most of them own tankers—for the marketing of their oil, the great bulk of which—that is, from Texas, the place I come from—is marketed on the Atlantic coast.

The price of oil may be high or low to the consumer, the purchaser of gasoline, and still the producer may go broke, depending on where the spread is placed between the production of the oil and the sale of the gasoline. The transportation offers a means by which that has always been in a measure controlled.

The tanker was a very satisfactory way to move the oil, and I do not blame any major company for the situation that we independents in Texas find ourselves in today. In fact, I want to congratulate the major companies on staying with the job and trying to move the oil in tankers as long as they possibly could. They have sacrificed men and much money in trying to avoid the submarine menace and get that oil to the markets; but that is out, and we realized that that was going to happen, and we called this meeting and began this study.

Now, the best, quickest, and cheapest method, according to our study, to get that oil, gasoline, marine fuel, and other products to the Atlantic markets in the face of the submarines, we determined to be the intra-coastal canal with a connecting link. However, we want it clearly understood that that will not do the job at all. It will simply be one of the methods that can be employed, and it is by far the quickest method that can be employed to move that oil and relieve, in part, the situation.

According to your testimony here, I have learned that the country might make out with 1,300,000 barrels, but that we are needing 1,600,000 barrels to carry on the regular war program on the Atlantic seaboard, and according to the testimony of the railroads, the proposed 24-inch pipe line and the barges up the river, and the constant movement from Pittsburgh to the markets will not take care of more than around 1,100,000 barrels at the outside, still leaving a large portion of that problem unsolved.

The CHAIRMAN. Four or five hundred thousand barrels?

Mr. GERMANY. Four or five hundred thousand barrels could still be used to great advantage on the Atlantic seaboard.

Mr. RANKIN. You mean four or five hundred thousand a day?

Mr. GERMANY. Yes; I am talking in terms of daily transportation.

Mr. SMITH. What proportion of that 1,600,000 barrels could be supplied by the independent producers in Texas?

Mr. GERMANY. The independent producers in the Texas oil fields alone could furnish every bit of it, and the whole State could furnish many, many times that much oil. The refineries on the Texas coast could furnish a good share of the refined product, but I think the proper method would be to transport enough crude oil around to supplement the present supply, so that your Atlantic coast refineries