

could be run to capacity, and then bring in enough of the other refined products to provide for the additional need. You have a capacity of about 1,300,000 barrels, as I understand, at the Atlantic coast refineries, and you are only supplying about 650,000 barrels of that, in round numbers.

**THE CHAIRMAN.** Mr. Germany, can you tell us about what proportion of that requirement of 1,600,000 barrels a day is gasoline?

**MR. GERMANY.** No; I cannot. I have just said that I do not want to get into these figures, because I do not have them in front of me. I have all of them in our office, but I did not expect to be asked on technical lines.

**MR. RANKIN.** How much gasoline can you get per barrel of crude?

**MR. GERMANY.** It depends on the crude oil and how far you carry out your refining processes. We used to take a barrel of crude oil and get 15 percent gasoline out of the barrel of crude oil and think we had done a good job. Now, by some methods, we get 98 percent, and by one method we get 104 percent gasoline, as impossible as that seems.

**MR. RANKIN.** You get more gasoline than you had oil?

**MR. GERMANY.** Yes. But that depends on the quality of the crude oil and how far you carry your refining processes.

The main thing that we want to get over to this committee is this, and I think it is important: I represent the group of people who found the oil when it was discovered. A large percentage of the oil discovered in Texas has been discovered by independent producers.

**MR. RANKIN.** They are the men who put the money into it?

**MR. GERMANY.** That is right. And, so that you will not think that I am representing any major group, let me say that I never had a job with a major oil company in my life, and I never had a dime when I went into the oil business. I started buying leases, borrowing money on credit, and drilling wells, and that is all I have done. I never sold a dollar's worth of stock to anybody.

**MR. RANKIN.** You never had to do with anything but private enterprise?

**MR. GERMANY.** That is right. And most of the independents that I represent came into their business in exactly that way, and there are some 6,300 of them in Texas. Those 6,300 men went along with the method of proration that was advised by the Bureau of Mines and by our local railroad commission, and cut their production to hold the oil in the ground in order to keep from having waste on top of the ground in the way of evaporation, fires, and spillage. They have done that consistently for years, to such an extent that most of them have no working capital at all. They borrow their money from the banks on their production and drill wells.

Now, the critical thing is this: I want to recite one example, so that you will have something concrete. One producer that I have in mind right now pledged half of his production in 5 or 6 years ago to the bank to get money to operate on, and he has discovered oil since then and has been a great help to the industry; but even in the face of that discovery he has had to curtail his production. He has had to pay interest on his investment; he has had a decrease in price; and where at that time he was producing 8,000 barrels per month, his total production, even though he has a number of other wells at this time, is 1,600 barrels per month. That is what he had until the last 2 or 3 months. Since that time the amount allowable on