

ing by reason of the fact that I had to appear before the Cole committee on yesterday and I had other meetings that prevented me from coming earlier during the week. I wish you to know that it was by no means because I did not recognize your responsibility and the great value of your time.

The CHAIRMAN. I think your attitude is thoroughly understood by the members of the committee in that respect.

Major PARTEN. Mr. Chairman, if I may be permitted the privilege I would like to read a statement for the information of the committee after which I shall, of course, be pleased to try to answer any questions that may be propounded to me.

I have with me Mr. R. B. McLaughlin who is Assistant Director of Transportation, and Mr. Eberle, on my right, who is the marine consultant in my office.

The committee wishes to develop the attitude of the Office of Petroleum Coordinator for War with regard to the proposals made in the Mansfield bill, H. R. 6999. To properly present our conclusions it is necessary briefly to describe the over-all transportation problem that is before us today.

There are a good many thoughts that might be of benefit to the committee in its study and appraisal of the relationship of the facilities provided for in this bill, and while we are dealing in this statement primarily with pipe lines, I would like it understood that the Office of Petroleum Coordinator stands for the improvement of our inland waterways in all respects possible.

Shortages of petroleum supply have occurred thus far in two principal areas of the Nation: (1) The Pacific Northwest (Washington and Oregon), and (2) the east coast area, where the Office of Petroleum Coordinator has classified 17 States into what is known as district 1.

Deficiencies in the supply for these areas have resulted from dislocations due to the decline in available tank-ship carrying capacity by reason of diversion of tankers for war purposes, and other causes resulting from war conditions.

In the Pacific Northwest area remedial steps have been taken that are rapidly improving the situation there. The petroleum inventories in this area are considered to be in relatively good position at this time.

A much more serious situation confronts the east coast, where the shortage is more acute and where a tremendously large volume of petroleum and petroleum products is required for the successful prosecution of the war. A measure of this volume is indicated by the fact that prior to the war the normal petroleum demand of the east coast was approximately 1,600,000 barrels per day. Further, more than 95 percent of these requirements were delivered normally by ocean vessels. Violent dislocation of this normal method of supply has resulted from a rapid decline in tanker carrying capacity available therefor. The Office of Petroleum Coordinator has necessarily launched plans for substitute overland movements of petroleum fully to supply the east coast. Such plans have been made upon the assumption that we will entirely lose our tanker carrying capacity serving the east coast by reason of probable diversion of our tankers to transoceanic service in the prosecution of the war. It is believed that any other basis for planning would not be justified.