

of that across to the Cleveland area, and with the laying in of the link of 150 miles of second-hand pipe we can get it to the Tuscarora line and carry that all the way to Bayonne.

Project 2 is the Plantation line, which originates at Baton Rouge, La., and goes to Bremen, Ga., through Atlanta to North Carolina. We expect, largely with second-hand equipment, to step up the capacity of that line by 30,000 barrels, or to 90,000 barrels out of Baton Rouge. In other words, that line under the rearranged program will carry 90,000 barrels instead of 60,000 as it is now doing, and that 90,000, we think, will all go into District 1. It will go as far as Georgia. Of course the line drops from 12-inch to 10-inch at Bremen, and you cannot get as much oil through a 10-inch line as you can through a 12-inch. There will have to be some take-off on that line in Georgia.

To feed that line with 90,000 barrels a day at Baton Rouge we have on our program the laying of about 200 miles of 10-inch line west of Port Arthur, Tex., to tie into a 10-inch line running now from Houston to Port Arthur, that carries natural gas. We plan to convert that line to a liquid line, tie that in with the new construction of second-hand pipe, and by that means we will have tied into the Plantation line, which now originates at Baton Rouge, the Houston, Beaumont, and Port Arthur refining areas, and by that 10-inch line that is coming into Baton Rouge we will supply that 90,000 barrels a day of products, all of which can go as far as Georgia.

Mr. CULKIN. Is that in the blueprint stage now?

Major PARTEN. No, sir; the engineering is all complete upon that, and the work is actually being gotten under way. There is a very small amount of material that we are going to have to ask for priorities on in that operation. That is a big operation.

Mr. CULKIN. You have statutory authority on that now, do you think?

Major PARTEN. We think so, without doubt.

Mr. CULKIN. And how about the finance element?

Major PARTEN. It will be financed by industry. All of these seven pipe-line projects that I speak of are designed to cost about \$35,000,000, and industry has agreed to finance them.

Mr. CULKIN. And is that a line that is available to the smaller companies?

Major PARTEN. That line will be available to many companies that want to contract in-put and out-take over a period of time. The plantation line as it now exists belongs to two companies, but it is a common-carrier line.

Mr. CULKIN. This program will not involve killing off the small outfits?

Major PARTEN. I hope not, sir. I am one of them myself.

Mr. CULKIN. I assume that type of interest will be at least mildly represented.

Major PARTEN. I think so, without a doubt, in all of these projects.

Mr. CULKIN. This committee has heard that transportation by water is the lowest-cost transportation; at least that is the history of it in the East, where, as you understand, there are certain types of specialized carriers; is not that true?

Major PARTEN. That is generally true.

Mr. CULKIN. You are departing somewhat from that theory, are you not?