

pipe-line proration, and when you tender oil to the line, it may be full.

Mr. VOORHIS. Do you mean that it might be full or that it would be full?

Mr. SHINKLE. Usually it would be full.

Mr. CULKIN. Is there not some general statutory control of these pipe lines?

Mr. SHINKLE. Unlike the railroads, the Interstate Commerce Commission has jurisdiction over pipe lines in only one way. When you build a railroad, you get a certificate of convenience and necessity. In the case of a pipe line, your tariff is posted with the Interstate Commerce Commission, and anyone may appeal against your tariff to the Interstate Commerce Commission. Otherwise, there is no jurisdiction. Some States have, of course, certain regulations covering the operation of pipe lines in some minor particulars. This proposed line, being the first interstate independent carrier, I am afraid, is somewhat out of line.

Mr. CULKIN. You will have to cut some red tape if you get oil to the Northeast in time.

Mr. ANGELL. Mr. Walker, how is this to be financed?

Mr. WALKER. This line has been taken up under the defense plan, in the same manner that the major oil companies are now getting funds for their 100-octane gasoline plants and, also, for synthetic rubber plants. We are in the same position with respect to this project. With respect to money, we have never modified our plan, or said that we would seek outside funds to do it, because these are wartimes. Normally, this would be handled through some sort of financing by bond issue, but we do not believe that would be practicable at this time.

Mr. ANGELL. So the Federal Government would be required to advance the funds?

Mr. WALKER. Yes, sir; 100 percent of the funds would be advanced. Funds have been advanced under a provision that you hold an option to buy the property back at its depreciated value after 5 years.

Mr. PETERSON. This would be the same method as proposed for the other pipe line?

Mr. WALKER. Yes, sir. Major Parten did not touch on that yesterday. He said that the companies would put it down at their own expense, but this big 24-inch line they are talking about is in the same position as we are in as to the plan. General Snyder, of the Defense Plant Corporation, told me that we were side by side in that respect.

Mr. ANGELL. The statement was made yesterday that the funds for financing that project would be furnished by private companies.

Mr. WALKER. That plan has changed so often, I do not know. When this thing first started last year they were going to do it all themselves. There were 11 individuals, and they said they would do all of it themselves.

Mr. PETERSON. You say there were 11. Who were they?

Mr. WALKER. Eleven major oil companies. I have a list of them somewhere. They were to do it themselves. Then it was supposed they were in a position to carry the initial cost. After the emergency was over it was thought it would not be economical to compete with the tanker haul, and then they went to the Defense Plant Corporation. They may have modified the plan since then.