In the days when the submarines were torpedoing so many tanker vessels and there were not enough of such ships to supply both motor and heating fuel to the eastern coast, there came an insistent demand to construct pipelines in order to bring relief to shivering people and to keep motor transport moving. As a result of that demand, there began the construction of what was popularly known as Big Inch and Little Inch. Big Inch is a 24 inch petroleum pipeline which extends from Texas to Philadelphia for a distance of 1340 miles, capable of carrying 300,000 barrels of oil per day. Its total cost was 78½ million dollars. It moved about 260 million barrels of petroleum at an average cost of about 7½ per barrel. Little Inch runs from Texas to New York for a distance of 1475 miles, is 20 inches in diameter, can carry 235,000 barrels of gasoline daily, cost slightly over 67 million dollars, and delivered a total of 107 million barrels of petroleum products at a cost of 11½ per barrel. But Big Inch and Little Inch have become casualties of war. When it was first announced that these lines would be filled with salt water, there was a great hue and cry that this was an outrage and that if they could no longer carry crude and oil products from the producing centers in Texas to the consuming areas of the East, they should be converted to carrying natural gas. But the fact is that Big Inch and Little Inch have run squarely into a hard, stubborn and inescapable economic fact. It costs more to carry oil by pipeline than by tanker. And so, Big Inch and Little Inch may become casualties as the result of a salvo from the balance sheet.

THE FACT FINDERS GET BUSY.

It became the responsibility of the Surplus Property Administration to examine into the possible disposal of these lines and determine what could be done. They were the fact-finders on this occasion and according to law, they made a report to Congress. First they found that if Little Inch were operated at capacity (meaning if it was loaded with crude oil all the time) it would still cost more to get oil to the eastern area than by tanker vessel. If operated at two-thirds of capacity it would cost "materially" more. Big Inch could be operated at a cost cheaper than tankers if it was operating at full capacity and perhaps even cheaper than tankers if operating at two-thirds capacity. But if taxes, depreciation and other items which business must figure in its operations were included, it would appear that tankers have the advantage. To use these lines for the transportation of natural gas would be feasible but it would require new pumping facilities and other installations that might aggregate as much as another 30 million dollars. Moreover, it takes a large line with a diameter as great as 30 inches to be economical for gas if it is to be conveyed for such long distances. There is also some reluctance to convert from oil to gas on the ground that these lines as oil carriers have a definite defense value. But in general, it may be concluded that now that the war is over and business enterprise must of necessity have a proper regard for costs, taxes, depreciation and other items to remain in a competitive position, it can be said for the moment at least that Big Inch and Little Inch look very much like innocent casualties of war.