

Mr. CULKIN. Do you consider those locks will be a sufficient bottleneck to make these canals insufficient?

Mr. PENNINGTON. No. They will handle 900,000 barrels a day.

Mr. CULKIN. I cannot understand why there is not a heavier movement up the Mississippi. I was here when some of those projects went through and heard it was very important.

Mr. PENNINGTON. Now, in going up the Mississippi River you get into a bottleneck up at Pittsburgh, as you cannot get over the Allegheny Mountains.

Mr. CULKIN. You could build a pipe line from Pittsburgh to the Atlantic coast.

Mr. PENNINGTON. To the Atlantic coast. Did you ever build a pipe line over a mountain? You have to pull the traffic up over the mountain.

Mr. CULKIN. Can it be done? Is it feasible?

Mr. PENNINGTON. It is entirely feasible. It is not at all practical.

The CHAIRMAN. It would take a number of pumps to get over the mountain?

Mr. PENNINGTON. An enormous number.

Mr. CULKIN. In any event it has never been done?

Mr. PENNINGTON. Only once.

Mr. CULKIN. Is that successful?

Mr. PENNINGTON. It won't carry much oil now.

Mr. CULKIN. Who built that?

Mr. PENNINGTON. That was the original Eureka line. I think that is the name of it.

Mr. CULKIN. That was a private company?

Mr. PENNINGTON. Oh, yes. It is a common carrier now.

Mr. CULKIN. I do not get your whole solution to this proposition. I hate to interrupt you.

Mr. PENNINGTON. Of course, you understand we want to ship this oil up here.

The full solution is to complete this waterway so that we can load a barge of gasoline, fuel oil, or oil in Texas or Louisiana and pull it around here whether it is going to our Army or in a navy yard ship or for general distribution.

Mr. HALL. At that point, where would you unload the barge?

Mr. PENNINGTON. Anywhere.

You see we already move the oil now by barge to most of these factories. For the Navy it would be at Norfolk.

Mr. CULKIN. Do you favor a pipe line or canal?

Mr. PENNINGTON. Both; because it will take approximately 15 months to build a canal across Florida, and we can be shipping oil in 4 months across Florida by pipe line.

On the question of rates that oil can be moved—I think the gentlemen here already testified oil was so moved—for 80 cents a barrel from Texas through the canal up here.

The present tanker rate before 1934, that is the tank-ship rate for moving oil from the Texas coast in the Gulf-Atlantic to be run up the east coast was 14 cents a barrel and from San Pedro Harbor 26 cents a barrel. Due to slower movement, higher risk, and insurance and other charges, the tankship rate is now 48 cents as the basic rate, the surcharge is 46 cents, which makes 94 cents.