

ritory and Ohio River points at between \$10 and \$12 a ton. It should not cost more than \$3.50 a ton to transport that lead to these consuming areas.

Mr. PITTENGER. How is it moving?

Mr. HOFMOKEL. Today it is moving by rail.

Mr. PITTENGER. It is moving by rail?

Mr. HOFMOKEL. Yes, sir; by rail, and we are getting this lead into Brownsville in trainload lots. Sometimes at the rate of two or three trainloads a day from Mexico.

We were required to establish what we call a custom-bonded yard. In this yard we store the lead while we wait for distribution orders and railroad cars in which to make the shipments to the points of consumption.

Mr. PITTENGER. How will a canal there relieve that situation, Mr. Hofmokol? Did I understand you to say that it costs \$8 a ton or \$10 a ton to haul that lead?

Mr. HOFMOKEL. The canal would afford cheaper transportation—I said the rates were between \$10 and \$12 per ton—by using the storage yard with large quantities of lead and so forth on hand, continuous supply is assured, provided transportation facilities are available.

Mr. PITTENGER. What would the rates be on the barge canal?

Mr. HOFMOKEL. On the barge canal the rates would not be more than \$3.50 a ton or \$4 a ton.

Mr. PITTENGER. As compared with \$8 or \$10 when shipped by rail?

Mr. HOFMOKEL. Well, the lowest rate when shipped by rail is \$9.

Mr. PITTENGER. By rail?

Mr. HOFMOKEL. Yes; and the average rate is about \$10.56 a ton.

Mr. CULKIN. Where to?

Mr. HOFMOKEL. That is the cost of shipping it to points in what we call the C. F. A. territory, around St. Louis, Chicago, Cincinnati, and Ohio River points. In the past we have shipped lead by boat to New Jersey for as low as \$4.50 per ton.

Mr. CULKIN. Is this lead in bars?

Mr. HOFMOKEL. Yes, sir; the lead is in bars about 2 feet long and 4 inches thick, weighing 106 pounds each.

The CHAIRMAN. It is just like pig iron, Mr. Culklin, only it is in smaller pigs. It is very heavy.

Mr. CULKIN. Does it have to be protected from the weather?

Mr. HOFMOKEL. No.

Mr. CULKIN. What effect does that rate have upon your transportation rate?

Mr. HOFMOKEL. The effect it has today is that we have to move all of this lead by rail and pay this greatly increased rate, whereas formerly we shipped it into New Orleans and then by barge up the river or to the Atlantic seaboard by ship.

Mr. CULKIN. That is cut off now?

Mr. HOFMOKEL. Yes, sir; that is cut off now. We used to do the same thing to Perth Amboy, and to other New Jersey points and Atlantic coast points.

Mr. CULKIN. You mean that is an absence of water transportation now; there is a lack of transportation?

Mr. HOFMOKEL. I would say there is a lack of reasonably priced transportation.

Mr. PITTENGER. Is it for war purposes?