

Mr. HOFMOKEI. It comes from a distance of about 500 miles.

Mr. SMITH. Do you have any magnesium in Mexico?

Mr. HOFMOKEI. Magnesium?

Mr. SMITH. Yes.

Mr. HOFMOKEI. No.

Mr. SMITH. You do not bring any magnesium in from Mexico?

Mr. HOFMOKEI. No.

The CHAIRMAN. Have you given any thought to the question of getting tin ore from Mexico?

Mr. HOFMOKEI. Yes, sir; we have given that matter very much thought, Mr. Chairman, and we have found some tin ore down there. However, it is of very low grade. I understand it is being investigated now, but one of the biggest items is manganese, because it is of high-grade quality, something that they did not believe a year and a half ago existed when we presented the proposition. They did not believe that you could find that type of manganese in Mexico.

The CHAIRMAN. You know the Government has just established a large smelter for tin ore at Texas City. They commenced operation on Easter Day. I have a sample of it in my office, which was sent to me by Mr. van den Berg, the manager of the plant, and he told me that the ore came from the Dutch Indies and from Bolivia in South America. Since then the Dutch East Indies have gone into the hands of the Japanese, and there is no possibility of getting any ore from there any time soon. It is going to be extremely difficult to get ships to bring it in from Bolivia. Mr. Mims, of the Freeport Sulphur Co., who is an engineer of great ability, as well as the general manager of that concern, tells me that he has known of some tin ore over in Mexico that could be furnished to this smelter.

Now, the R. F. C. has invested several millions of dollars in this smelter, and they are just beginning operation. The probability is that they will have to get all of their ore from Mexico for some time to come, whether it is high-grade or low-grade ore.

Mr. HOFMOKEI. I think you are right, Mr. Chairman.

Speaking about the smelter, I will give you a little example. This particular smelter that I mentioned a minute ago that needs this manganese is using iron ore, of course, lots of which comes from East Texas, but they require a different type in addition to that Texas ore for mixing with the scrap iron that comes out of the territory surrounding Houston, the refineries, and those various scrap-producing industries. The plan they have with us in Brownsville is based on 800 tons of ore a day, and that smelter will be finished in Houston in 6 or 8 months. In the meantime we are preparing and laying the basis for everything. I just want to read one line out of this agreement. It states:

We will guarantee in tonnage involved 850 long tons per day, or 310,000 per annum, year in and year out.

This is what I want to read into the record: "Year in and year out."

It is not a war baby. That smelter is being built on the basis of the scrap-iron supply that these big refineries and other industries along the coast deliver to this smelter.

Mr. PITTENGER. This is Texas ore?

Mr. HOFMOKEI. No; the ore I am talking about comes out of Mexico.

Mr. PITTENGER. And that has to be transported by rail?