

neglected and why their revenue is almost cut off, and it is because there is no transportation for the petroleum which they can produce.

You can check the map and see that the production of petroleum generally is centered around those places which have any positive means of transportation. I do not believe God put the petroleum there, but man goes out and finds it where it can be best distributed. For example, our petroleum comes all the way down the Texas coast to Corpus Christi and then circles to Laredo, which has a pipe line down the Rio Grande Valley to Corpus Christi. But from Corpus Christi south to Lynnsville there is no pipe line.

The CHAIRMAN. That is in the King County ranch section?

Mr. MURPHY. That is in the King and Kleburg ranches. There is no place they could take that oil.

Much of the land is salt flats where they could not put a pipe line. It is not justified to take it to Corpus Christi because they have many wells close by producing now. It would be too expensive to drop a pipe line, but a canal coming through the Laguna-Madre—I believe through that point—will show up potential oil that can be produced there.

Our canning industry is an industry that lends itself to barge transportation and while barges are used in petroleum in moving a one-way haul it does not lend itself to a return cargo other than dead cargo. Those barges that would haul millions of cases of canned goods are needed in America and will be needed after the end of the war, and those barges can bring back to us thousands of things that we Americans in the Rio Grande Valley need and want for our own development.

We should, of course, exert every effort to the winning of the war, but it is a happy situation when the war effort will contribute a lasting benefit in time of peace.

And, with that in mind, gentlemen, we hope that the intracoastal canal will complete the two links still lacking to make it a completely rounded inland waterway.

Thank you.

The CHAIRMAN. Thank you very much.

Mr. CULKIN. What problem is presented by the present rate conditions in the valley?

Mr. MURPHY. I am not a rate expert, but I believe the man following me can answer that much more accurately than I can.

Mr. CULKIN. You have heard the previous witness say that sometimes the receipts were less than the freight amounts to?

Mr. MURPHY. I have seen it happen quite a number of times; yes, sir. I have seen vast quantities of tomatoes and cabbage and vegetables dumped along our highways. I have seen farmers come in and try to sell them, and they have been unable to sell them and they have opened their end gates on the wagons and left them bounce along the highways.

Mr. CULKINS. And that is because of the present cost of transportation?

Mr. MURPHY. Yes, sir.

Our next witness is the director of the port of Brownsville, Tex., who has made a very careful study of the traffic situation in that area,