

saving of \$3,000,000 a year that will be made if you extend the intracoastal canal from Corpus Christi to Port Isabel and Brownsville.

Mr. PITTENGER. I would like to have you make a memorandum and put a detailed statement of this saving in your testimony at this point, because we have a lot of other witnesses still to be heard.

Mr. HOFMOKEL. Yes; I would like to do it.

Mr. PITTENGER. I am not going to sit here 2 weeks now. I love them, but I do not love punishment.

Mr. HOFMOKEL. Yes, sir; I would like to do that if you will permit me.

Mr. MILLER. In other words, Mr. Pittenger, you want the detail of these things that would make a total saving of \$3,000,000?

Mr. PITTENGER. Yes.

Mr. MILLER. Will you do that, Mr. Hofmokol?

Mr. HOFMOKEL. Yes; I will be glad to do that.

The CHAIRMAN. And give us a break-down of it.

Mr. PITTENGER. I understand that this witness can go on here under cross examination or voluntarily and show where the eastern seaboard will benefit by almost every one of these moves by getting these products that the East needs over this transportation system, and then shipping goods from the East over to Texas. The world is quite circumscribed, but when you are talking about that, if we had finished that canal down the St. Lawrence River, oil could now come from these pipe lines at Cleveland and Chicago and cut down their shortage in the East which the newspapers say is costing them \$115,000,000 a day, and the East could send its products by water to the West and to the Northwest, the cost of which is prohibitive by rail.

Mr. HOFMOKEL. Yes; it helps the United States, and it helps the people of the United States. The people of the United States are the ones that have the benefit of it. That is, the saving of \$3,000,000 per annum to start with will be made if it is possible for us to have that intracoastal canal. It should be built now. We should have had that canal day before yesterday, and not tomorrow.

Mr. PITTENGER. We should have had the St. Lawrence Canal in 1934 when the United States Senate first rejected the treaty. I am not arguing against the fact that this project should have been developed earlier, as I think it should have been.

Mr. CULKIN. Have you ever gone before the Interstate Commerce Commission on this matter?

Mr. HOFMOKEL. Upon this particular project?

Mr. CULKIN. On this freight question.

Mr. HOFMOKEL. Yes; that is constantly being considered by the shippers interested.

Mr. CULKIN. What did they do, raise the freight rates every time you brought them in?

Mr. HOFMOKEL. I am familiar with the effect water transportation had on rail rates in the Rio Grande Valley when we were operating these coastwise steamers down there. On canned goods, for instance, the rail rate to New Orleans used to be \$15.40 a ton. We came along with ships and we cut it down to \$6.40, a saving of \$9 per ton.

Mr. CULKIN. That is the rail rate?

Mr. HOFMOKEL. No; \$15.40 is the rail rate.