

Mr. CULKIN. Did the rail rate subsequently, upon the coming of the ships, go down to \$6.40?

Mr. HOFMOKEL. No, it did not; but with the \$6.40 water rate they considerably lowered rates by rail.

Mr. CULKIN. How much did they reduce them?

Mr. HOFMOKEL. The rail rate to New Orleans was around \$7.80.

Mr. CULKIN. It came down to that from what?

Mr. HOFMOKEL. From \$15.40.

Mr. SMITH. Or just about half of the former rate?

Mr. HOFMOKEL. That is right.

Mr. CULKIN. That made the movement feasible economically and gave a living return to the producer?

Mr. HOFMOKEL. Yes.

Mr. CULKIN. Upon the passing of the intracoastal or the coastwise steamers the rates went up again?

Mr. HOFMOKEL. Yes, sir.

Mr. CULKIN. Were they doubled?

Mr. HOFMOKEL. No; not quite. But I will give you now an example by using the New York rate. To New York the rail rate used to be \$33 per ton on canned goods.

Mr. CULKIN. By rail?

Mr. HOFMOKEL. Yes, sir; and our rate was \$5 at one time and later raised to \$6.60 per ton by boat.

Mr. CULKIN. The rate by boat was \$5?

Mr. HOFMOKEL. Yes, sir; the rate by boat to New York was \$5, and we saved \$28 a ton to New York in shipping by boat.

Mr. CULKIN. Yes.

Mr. HOFMOKEL. Today the rail rate is \$21.20; that means \$21.20 a ton.

Mr. CULKIN. And that is done, I assume, with the consent of the illustrious Interstate Commerce Commission?

Mr. HOFMOKEL. Naturally, but the railroads cannot operate as cheaply as the ships or the barges can operate.

Mr. CULKIN. Did you appear before the Interstate Commerce Commission?

Mr. HOFMOKEL. I am only interested in the port. I am not fighting the railroads. We are friends.

Mr. CULKIN. Does not the life of your port depend on that transportation?

Mr. HOFMOKEL. We manage when we have ship service, but at the moment we have no ship service and the shippers handle their through shipments directly with the railroads. I have to take care of the port.

Mr. CULKIN. In other words, the life of the community is dependent upon reasonable transportation rates.

Mr. HOFMOKEL. That is right; when we have no competition they can practically do whatever they please with the rates.

Mr. CULKIN. In going up as you have described it practically destroys the life of your community and the hopes of the local public?

Mr. HOFMOKEL. Yes, absolutely; definitely.

The CHAIRMAN. Judge, do you love the Interstate Commerce Commission?

Mr. CULKIN. I have spoken on that before.

Mr. HOFMOKEL. Take the case of getting sand and gravel to the Rio Grande Valley. It is about 75 cents a yard at the gravel pit, and the