

freight rate from the gravel pit is \$1.50. In other words, we pay twice as much in freight as the commodity costs. We have to have barge transportation, as this is the only way for us to get building material at reasonable rates.

Mr. CULKIN. How big is your community?

Mr. HOFMOKEL. Twenty-six thousand people.

Mr. CULKIN. Is that right on the Mexican line?

Mr. HOFMOKEL. The city itself is just across river from Mexico and directly opposite Matamoros.

The CHAIRMAN. I do not remember the figures, but the locality paid for the dredging of the channel.

Mr. HOFMOKEL. Yes; dredging, wharves and sheds cost us about \$2,000,000 and further development at port built by local and private interests cost an additional \$5,500,000.

Mr. CULKIN. How near are you to Brownsville?

Mr. HOFMOKEL. The port is 5 miles from city limits.

Mr. MILLER. This gentleman is very well informed on it, and there is a great field of opportunity in the valley in connection with our better relations with Mexico.

Mr. SMITH. I think they are very much interested in this project.

Mr. MILLER. Yes; they are.

(Mr. Hofmokel subsequently submitted the following:)

Effect of water transportation—Comparison of rail and water from the lower Rio Grande Valley when water transportation was available

As a matter of demonstration—below a few examples showing the savings in transportation costs effected as of November 1938 through all-water competition on four representative lower Rio Grande Valley commodities:

Commodity	From Rio Grande Valley to—	Former all-rail rate	Rate via port of Brownsville	Saving ¹
Citrus.....	New Orleans.....	\$16.20	\$8.40	\$7.80
	Boston.....	31.60	14.80	16.80
	St. Louis.....	22.00	11.80	10.20
	Memphis.....	21.00	11.60	9.40
	Chicago.....	23.00	12.20	10.80
	New York, Baltimore, Philadelphia, etc.....	31.00	14.80	16.20
Vegetables.....	New Orleans.....	17.60	9.60	8.00
	New York.....	35.80	12.00	23.80
	Boston.....	37.20	12.00	25.20
	St. Louis.....	22.40	13.00	9.40
	Memphis.....	21.40	12.80	8.60
	Chicago.....	28.00	13.20	14.80
Onions.....	Baltimore, Philadelphia.....	34.40	12.00	22.40
	New Orleans.....	15.40	9.00	6.40
	New York.....	35.40	11.50	23.90
	Boston.....	34.60	11.50	23.10
	St. Louis.....	19.60	12.40	7.20
	Memphis.....	18.60	12.20	6.40
Canned goods.....	Chicago.....	24.40	12.60	11.80
	Baltimore, Philadelphia.....	31.20	11.50	19.70
	New Orleans.....	15.40	6.40	9.00
	New York.....	35.00	8.00	27.00
	Boston.....	34.60	8.40	26.20
	St. Louis.....	19.60	9.00	10.60
	Memphis.....	18.60	8.60	10.00
	Chicago.....	24.20	10.80	13.40
	Baltimore, Philadelphia.....	31.20	8.00	23.20

¹ Like savings were effected on merchandise, agricultural implements, machinery, iron and steel articles and the many other commodities either in-bound or out-bound if they were routed via the port of Brownsville.