

industries. This same industry provides for its own back haul by barge in form of 40,000 tons of anthracite coal from Arkansas and 18,000 tons of coke from St. Louis, 34,000 tons of silica, flour, and fire clay per annum.

It being a fact that the Mexican rail rates on lead, ores, metals, lumber, etc., hereinbefore referred to and moving from Mexico to border crossings such as Laredo and Matamoros-Brownsville are equal or can be equalized, and because the tonnage now being handled through Laredo must be carried from that point by rail as against water movement through Brownsville, it is reasonable to assume that when the canal is extended to Brownsville, this Laredo tonnage will move through the Matamoros-Brownsville gateway.

This tonnage of aforesaid commodities amounts to approximately 300,000 tons annually.

While the above short summary reflects only the most outstanding tonnage-producing elements insofar as the exchange of commerce with our next-door neighbor to the south is concerned, and having direct reference to our war effort only, this statement cannot be concluded without shedding some light on the ill effect the absence of low-cost water transportation has in particular on the oil development in this section on the American side of the Rio Grande. For instance, take this short but the most striking example: Two years ago a tank farm of better than 500,000-barrel capacity was constructed at the Brownsville port, with the idea and actual commitment to the port by the owners, that no less than 5,400,000 barrels of crude oil would be shipped annually through that facility to coastwise destinations. Notwithstanding the availability of oil in the volume quoted, less than 10 percent of that quantity has actually moved by water—this entirely due to lack of tankers.

And in connection with the latter, there then was planned as a subsequent adjunct to this tank farm, a 10,000-barrels per day oil refinery. The absence of tanker space, together with our inaccessibility to the present Intracoastal Canal, prevented the use of low-cost water transportation, and as a result (a) prevented the movement of close to 5,000,000 barrels of crude oil from this particular section alone; (b) prevented the erection of a \$3,000,000 industry at this port; and, with it (c) deprived the country of an additional daily production of many thousand barrels of aviation gasoline.

CONSTRUCTION OF BARGES

As has been testified to by witness after witness at this hearing it is practicable and feasible to move heating oil, crude oil, bunker oil as well as other commodities herein mentioned, except gasoline, by wooden barges, the question as to time needed for constructing an adequate supply of these barges has been answered in different ways by different witnesses, but no witness, except one, testified as to actual experience in such construction.

The Brownsville Shipbuilding Corporation has a contract with the United States Government to build 50 wooden barges within a 90-day period. These barges are about one-half the size of the barges that would be required for the movement of commodities such as aforementioned. It is therefore self-evident that all barges required can be built long before the canal can be dug under the best possible conditions if multiple contracts are let to the existing boat yards and of which there are hundreds, and many along the route of this canal.

In conclusion, from the standpoint of economy, the portions of the canal already in operation have returned to the people of this country in freight savings each year far more than the total cost expended by the United States Government for its construction and maintenance. Any further extension of the canal as provided for in this bill will add immeasurably to that saving because there will be continuous traffic, north-bound as well as south-bound, all the way from Maine to Mexico.

The several proposals offered at this hearing for relief of the petroleum traffic jam—each has merit, and all of them should be exploited immediately to the utmost, but because the canal is a solution to the bottleneck in vital war materials other than oil and gasoline good judgment dictates and patriotism demands that this project be not any further delayed under any circumstances.

Human life—yes; all human liberty perhaps—depends upon the decision of your honorable committee.

Respectfully submitted.

BROWNSVILLE NAVIGATION DISTRICT, PORT OF BROWNSVILLE.
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