tural heritage and which "must be preserved." Also included in that group of 20 were the White House and the Capitol. Legislation of the nature proposed here would not only preserve this landmark but fulfill an important public need. Accordingly, the terminal company will use its best efforts to implement legislation, if passed by the Congress, along the lines of the plan now being considered.

In closing, Mr. Chairman, let me express my appreciation for the opportunity of appearing before this distinguished legislative body, and let me pledge my support of the efforts to formulate and carry out a plan to utilize Union Station in making the concept of a National Visitor Center a reality.

Thank you, Mr. Chairman.

Mr. GRAY. Thank you very much, Mr. Mulligan. Again I want to state for the record how cooperative you personally have been to the Study Commission, and also Mr. Shaw, the manager of Union Station. This has been a long and difficult task in trying to work out a solution to our problems, and I would like to ask you for the record whether or not Union Station per se has not served its usefulness as a railroad station because of changing modes of transportation, and if this station is not utilized for a visitor center there may be the real possibility in years to come that you will have to sell this station and build a smaller Union Station, thereby losing this national monument?

Mr. MULLIGAN. That is correct. Basically, the station complex, embracing a total of 300 acres of land, represents a plant in total which far exceeds the requirements for railroad operating purposes. A smaller station and a contraction generally of the area is clearly indicated. As a business matter, we would raze the monument, but sometimes there are considerations which transcend business considerations. But this would be, from a business standpoint, our best course of action.

I heard Mr. Knott's testimony, and he stated quite accurately some of the techniques of real estate appraisal. He did not, however, allude to a fourth category which in the trade is known as "highest and best use." Now, the figures adding up in this bill to the $2.9 million were developed on what I consider a most conservative basis. The land value—and I make this statement on the basis of outside qualified expert advice—the land is worth $74 a square foot, the land alone. Now this is a matter upon which experts will disagree, having in mind that certain of the pertinent facilities such as the railroad terminal and some communications facilities in the basement would continue to be required and used in railroad operations, so I discounted that $74 a square foot to $60 a square foot, and multiplying that by 330,000 square feet I get $19.5 million, which is what could reasonably be expected as a realization from the sale of that land if there were no monument on it.

Mr. GRAY. It is my understanding that you have used a 5-percent figure as return on your investment for the land value. You heard the Administrator of the General Services Administration testify that in our average leasing arrangements around the country he uses from 9 to 15 percent. Is it not correct that you have used a 5-percent formula on the land value as the return on the leased property?

Mr. MULLIGAN. That is correct, and I want to make it clear we have ascribed no value—I repeat, no value—to the station itself.

Mr. GRAY. To the so-called monument?