

nature of the economy to give every member of the public what he wants to consume. They are minorities which would like to travel on the Fall River Line, or which would like to go to vaudeville theaters.

There is probably nothing I should so much like to consume as a record of Sir Arthur Sullivan's "Symphony in E." It has never been recorded, because there are not enough other people who want it. It is not in the nature of an economy to provide everyone with everything he wants for this reason. The logic with respect to the passenger train is no different from the other examples which I have just given.

This concludes the summary of my prepared testimony, but I shall naturally be pleased to answer questions.

(Mr. Hilton's prepared statements follow :)

STATEMENT OF GEORGE W. HILTON, PROFESSOR OF ECONOMICS, UNIVERSITY OF CALIFORNIA, LOS ANGELES

My name is George W. Hilton. I am Professor of Economics at the University of California, Los Angeles, and am the specialist in transportation in the UCLA economics department. In 1964 I was chairman of President Johnson's Task Force on Transportation Policy. More recently, I have written a book, currently pending publication at Indiana University Press, *The Transportation Act of 1958*, one chapter of which concerns experience under Sections 13a(1) and (2). What I have to say today is based on my research for that book. I speak only as an individual, and do not purport to represent any group or institution.

I have come to argue that the passenger train is absolutely hopeless, and that neither changes in the regulatory framework nor any subsidy which Congress is likely to enact can arrest its decline and imminent extinction. This conclusion follows from the analogy of similar declines of other forms of rail passenger transportation, from the literature on consumer behavior in choice between modes of transportation, and from evaluation of the changes in the technology of passenger transportation immediately impending.

The passenger train has been declining since the 1890's, when it was providing some 90 to 95 per cent of intercity trips. The decline was typical of secular declines being first relative and later absolute. The building of the rural trolley lines in New England and the interurbans elsewhere in the United States beginning in the mid-1890's caused the percentage of intercity trips by train to fall, though the absolute number of train trips per year continued to increase until 1921, when the decline of the passenger train shifted from relative to absolute. From that time passenger traffic by railroad has declined almost monotonically (with the notable exception of the years of World War II) until at present passenger trains provide only about 1.5 per cent of intercity trips. The decline has been parallel to that of the other forms of rail passenger transportation: the branch lines atrophied first, there was a long period of hope that the main lines would be viable indefinitely, but finally such services also declined rapidly. Streetcars and interurbans pursued this pattern of decline but having no freight revenues on which to draw adequate to support them, typically passed out of existence entirely.

The passenger train declined because it was slow, inflexible, and expensive to operate, relative to the alternatives which became available to the public. Its inflexibility was initially its worst handicap; the automobile provided a point-to-point service which no other carrier could match, and which proved so attractive that Americans came to depend on it for about 90 per cent of intercity trips. The bus also proved a cheaper and more flexible carrier than the train. Aircraft, after a poor initial experience in comfort and safety, were improved to the extent that, after introduction of jet equipment in 1958, airlines could provide intercity passenger service at over ten times the speed of trains, at only about half the cost to the carrier, and finally with comparable safety experience. Economic adjustments are never instantaneous, and thus, partly because the dependence on the passenger train had once been so nearly complete and partly because exit from rail passenger service was restricted, the passenger train has survived until the basic network of major intercity routes is still in existence. The question which currently confronts us is whether that network can or should survive. Examination of both demand and supply conditions for rail passenger service indicates unambiguously that it should not and, more important, cannot survive.