

on the other hand, perpetuate a waste of time and resources in establishing through the regulatory process what is and is not unprofitability.

Ideally, Congress should grant the railroads the right to discontinue passenger trains on 90 days notice to the public, without recourse to the ICC or other regulatory bodies. There is no intercity passenger train which lacks adequate or superior alternatives to which the public may turn in 90 days. Granting the railroads the right to withdraw from this hopeless activity, *carte blanche*, would be at once terminating one of the economy's most severe current resource malallocations, and facing up to a reality which is beyond the power of public policy to alter.

Mr. ADAMS (presiding). Mr. Watson?

Mr. WATSON. Thank you, Mr. Chairman.

I was taught never to take issue with a professor, but maybe I am in a position now. You do not live in South Carolina?

Mr. HILTON. No, I do not. And I also suggest that my students take issue with me as frequently as possible.

Mr. WATSON. Did I understand you earlier to say that your views do not reflect those of the Smithsonian?

Mr. HILTON. Yes.

Mr. WATSON. Are you with the Smithsonian Institution?

Mr. HILTON. For 1 year. I am replacing the Curator of Transportation, who is on sabbatical leave; but, as I stated, the Smithsonian Institution does not concern itself with matters of this sort. This is unrelated to my duties there.

Mr. WATSON. I certainly appreciate the fact that you have studied this matter in depth and at length, but I am not so much a fatalist as you are about trains going to pot, or that they are just relegated to antiquity. I believe they can be rejuvenated.

Did you take into consideration the rapid surface transit studies that are now being made; and, if so, what is your judgment as to whether or not they might give new life?

Mr. HILTON. You are referring to urban transit proposals?

Mr. WATSON. Yes.

Mr. HILTON. Such as the rapid transit in California.

Yes, I testified before the California State Senate committee on the financial problems of the bay area rapid transit. It is a somewhat different problem from intercity transportation, but only somewhat different, and I think you are quite right to raise the question whether there are not things which we can learn from this. I did not want to go on to excessive length in my prepared statement. I considered raising this point in fact.

Rapid transit also survives because it has some alternative source of funds to fall back on. The streetcars and inter-urbans did not. Rapid transit has public revenues.

As far as I know, every rapid transit system is extremely unprofitable. Also it has suffered very considerable decline. Approximately 80 percent of our rapid transit passengers are on the New York subway.

It is a very inflexible form of transportation, unable to fan out, unable to provide much other than a trip in and out of a central business district in which there is a big demand for foot circulation; that is, with a lot of office employment, entertainment, retailing, and so on. It is especially useful to cities which are circumscribed by water barriers. New York is the best example of a city so characterized. Rapid transit is almost exclusively a solution to a New York problem and, so,