

other way, and we know now that less than 1 percent of crude oil travels by rail.

The existence of the monopoly element in the industry, notably its pricing structure, which did not relate rates to the marginal cost of traffic, gave essentially the entire economy an incentive to find alternatives for railroad service, which most of the economy has already done. The portions of the economy which has not yet done so probably will find a way to do so in future decades.

Mr. ADAMS. Professor, the point I am coming to is I think—and I enjoyed your testimony very much—we have been looking at a series of overall problems in a comprehensive transportation way, and we are faced with the fact that in terms of the public interest our transportation system is becoming clogged. You referred to the 747, and various types of highway transportation and air transportation.

Testimony before this committee rather clearly indicates that within the next decade or decade and a half, it will simply be impossible to expand those modes of transportation any more without some radical innovations.

We can't move enough vehicles in and out of the city, we can't move enough airplanes in and out of the presently existing airport facilities, and when we get them there, we can't move them away from the airport, we can't move in and out of the city areas by cars without some other type of transportation.

We are having a problem right now with air transportation, where they are doing precisely the same thing in many areas that the rail transportation is doing. They do not want to fly into the smaller towns, because they are unprofitable, and they do not want to maintain a two or three a day schedule which might be more convenient for the people there, and they would rather crowd all of their flights into a 5 o'clock at night schedule.

They do not want to land in Denver during the day, because it is more convenient, if you have got a run from Texas to the northwest area, to go into Denver at 1 a.m. in the morning or at 12 o'clock.

What we would like to have, and this is the only point on which I am critical of your testimony, is by taking certain empirical facts and extrapolating them, as you have done, you arrive at your conclusion. But our problem is that in the overall transportation net, we do not think that the empirical facts you assume are going to remain true for more than 5 years at the most. As your facts change the extrapolation will be even farther off.

Mr. HILTON. As I endeavor to argue, I think that these trends are trends which one can extrapolate with greater confidence than anything else which I would care to extrapolate within all of the economics.

With respect to the problems of freeways and airports, there is a resolution to the problem of congestion of airports which is fairly easy, though I admit it is a short-run resolution, and that is variable pricing of services of airports at various times. It would be quite easy to price the services of landing at an airport and taking off again at various levels, charging 100 times more between 5 and 6 p.m., than at 3 a.m. This would tend to deal with the problem which you mentioned.

It is much more difficult to adapt the same idea to highways, though Prof. William Vickrey of Columbia University particularly identified