

Mr. ADAMS. That would be about 12 percent of our people, at the most.

Mr. MOLONEY. Then you can throw the buses in there for another 2 percent or so. Then the remaining people that go intercity go in private automobiles.

Mr. ADAMS. This is what I asked a gentleman supporting the Department of Transportation position yesterday. With the trend in this country tilting from 90-10 rural or out-city population, to a 90-10 city operation—and this trend has accelerated in New York City and some of the other cities to the point now where you can't get into them with a private car—what are you going to do with all these cars trying to get them in and out of the city as our population continues to grow? What is your solution as the spokesman for the American Railroad Association?

Mr. MOLONEY. I think Mr. Goodfellow in his testimony just before I took the stand referred to these corridors, heavily traveled corridors, and in substance said that maybe the solution will lie in ground transportation, such as the experiment they are trying to get started between Washington and New York and between New York and Boston. But you are not talking about the same kind of rail transportation that we are talking about, intercity in the United States today, and you are not going to maintain that by running the type of equipment and type of service and so on. It must be something entirely different. And it is. If these tests go through, it is going to be something entirely different.

Mr. ADAMS. Thank you, Mr. Chairman.

Mr. FRIEDEL. Mr. Watson?

Mr. WATSON. Thank you, Mr. Chairman.

I assume, as we look at this cost picture a little bit, Mr. Moloney, and incidentally, you have appeared before this committee before and it is rather odd that you have to introduce yourself. You were up here on the barge bill and the water carriers bill and the railroad safety bill and now this bill and perhaps others.

Now, insofar as the cost figures on passenger train services are concerned, I assume as your revenues are declining in that field, with the diminishing number of passengers, that your costs of operations have increased as you have tried to glamorize the situation and as you have put a little more sophisticated equipment on the line. Additionally, I should assume that it would require considerable more personnel for passenger service than it would to handle freight. Is that not a fair statement? I don't know. I don't want to put words in your mouth. But I am trying to think this picture through as it was presented by Mr. Adams.

Mr. MOLONEY. I think that is a true statement.

Mr. WATSON. So while your revenues have declined actually on the remaining passenger trains, your costs of operations are up a great deal over the 1958 figures?

Mr. MOLONEY. Yes, sir; and that would be true even if you had the same number of employees in the passenger train service and are still using the same materials and still using the same equipment, because your costs of materials and supplies and fuel and labor have, as we know, constantly gone up.

Mr. WATSON. All right, sir. One thing I think would be well to re-