and wanted and that will be even more needed and wanted in the future.

As an example of what America ought to have, I should like to pass up to you a full-page ad from the April 13, 1968, issue of the New Yorker magazine for the European railroads. In contrast, I should like to quote from the findings of ICC Examiner John Messer about the Southern Pacific's Sunset Limited.

(The material referred to appears on p. 197.)

Mr. BEATTIE. The charge is made that America's railroads can't afford to continue running passenger trains. As to that I refer you to appendix G of the ICC's report to you of June 25, 1968. This shows the "deficit related solely to passenger and allied services" amounted to only $30.9 million in 1966, the latest year available. The eastern railroads, on this basis, actually showed a passenger profit of $16.8 million in 1966, with the Southern roads showing a deficit of $23.8 million and the Western roads a deficit of $23.9 million.

The "solely related" passenger deficit of $30.9 million compares with a total railway net operating income of $1,046 million in 1966. In 1967, the ICC suggested, the railroads' "solely related" passenger deficit rose "significantly" from 1966.

Mr. ADAMS. At that point, what is the definition of "solely related" passenger deficit? This is some $550 million below the reported figure of the other witness?

Mr. BEATTIE. This is another method of calculating the cost, that is by a formula, which eliminates the joint cost allocation that you were speaking of a moment ago. Where you allocate so much for the right-of-way, and the facilities, and so forth, for the passenger and freight. That is one way. Another way is to determine the solely realted cost of passenger service and——

Mr. ADAMS. In other words, what you are saying here, if you eliminated all passenger trains, they would still run on the tracks and still have to maintain them and they would still maintain stations, so the only thing that would be saved would be $30.9 million?

Mr. WATSON. While we have this interruption, I wonder if you could give us a breakdown as to how you ascertain those figures. Not now, but supply it later for the record.

Mr. BEATTIE. Yes, sir. This is the figure that appears. These are the figures that appear in the ICC examiner's report and recommendation, and the examiner in this case is a veteran examiner of the Commission. I think he has something like 14 years as an examiner.

Mr. WATSON. And he states specifically what solely related expenses would include?

Mr. BEATTIE. I am not certain whether in his report there is a complete description, but we will make it available for you——

Mr. WATSON. Maybe we could go to him and get that information.

Mr. FRIEDEL. Will you furnish it for the record to substantiate these figures and we will pursue the examiner's report?

Mr. BEATTIE. Yes, sir; I shall do so.

(The figures referred to come from the ICC report "Intercity Rail Passenger Service in 1968," which appears herein. See app. G, p. 97, for figures, and app. H, p. 98, for explanation.)

Mr. BEATTIE. But it was undoubtedly still only a small fraction of their total 1967 net operating income of $677 million. Clearly the rail-