

Outside of the state tax reform and the Northeast Corridor Project, governmental policy with respect to intercity service has not been changed.

The underpatronized and uneconomic trains of 1958 have been eliminated --

at an annual saving estimated by the rail industry to be about \$1 billion in

1967. Despite this paring of little used service, rail passenger service has

continued to attract fewer intercity passengers each year, and some trains

that were marginally profitable have been turned into substantial losers.