

. Mail revenues dropped 21.1 percent, and the estimated passenger deficit increased 21.3 percent.

The greater rate of discontinuances in the past nine months will sustain this sharp downward trend through 1968.

Another inadequacy in the present situation is that regardless of how particular cases are decided, neither the public's sense of justice nor the carrier's need for relief can be satisfied. Whether or not passenger trains are used, there is a widespread and thoroughly ingrained belief that they are needed--not only in the sense of providing transportation for individuals, but also as a public asset needed for the development and growth of territories and communities served. Whether the latter belief has a basis in fact in the case of non-commuter trains is questionable. It has been challenged as stemming from nostalgia. The evidence on it in particular cases before the Commission consists primarily of opinion statements by public officials. Lacking are proven facts of sufficient weight to support the formation of national policy requiring large expenditures of funds and effort, be they public or private.

At the same time, railroads face increasing competitive pressures in their freight business from other modes of transportation. This compounds the rail industry's difficulty in absorbing the passenger deficit and makes