members, this procedure will make an important public issue hinge on the personal leanings of the Presidential appointees, without possibilities of appeal or review.

(d) Injurious trends have been proceeding for 30 to 40 years both in the railroad industry and U.S. industry generally, injurious trends which neither determinations by the Board nor reaching of a voluntary agreement offer any realistic promise of improving.

3. In the case of railroads these injurious trends are the heavy and progressing losses which each of the four major groups concerned—the public, railway labor, railroad investors, and the Federal and local Governments—have all suffered in one way or another over the past 40 years:

(i) The American public is losing railroad service. A decline in the use of railroads for passengers and freight, whether relative or absolute, should be accepted if it means better service to the public, comprehensively measured. Problems, however, from the congestion, fumes, noise, etc., of truck, automobile, and airplane traffic, now reaching crisis proportions, and the surrender of more and more prime land in metropolitan areas to roads and terminals which constitute a very heavy financial burden rather than a source of positive tax revenue from that land, are crucial issues in which greater use of railroads may be able to make a contribution.

(ii) Railroad labor has lost a very large amount of employment. From 1.8 million employees in 1924/27, the number has sunk to around 630,000—a decline of nearly ⅔ rds.

Average annual earnings of individual railroad employees, on the other hand, have increased 4½ fold, from approximately $1,700 for 1926/30 to $7,734 in 1966. Inclusion of all fringe benefits, amounting to more than $1,000 a year per employee in 1966, according to the 1967 Yearbook of Railroad Facts (of the Association of American Railroads) would bring the comprehensive increase to over five fold.

Aggregate compensation of railroad employees increased ⅔ rds from 1926 to 1966, the same proportion that the number of employees declined. Allowing for the reduction of the value of the dollar over that period, which was about 50% as measured by the Consumer Price Index, aggregate compensation in 1966 represented about 17% less purchasing power than was paid annually during the 1920's.

Railroad employees also gained from the very sharp reduction in the number of employees killed and injured in railroad accidents yearly.

(iii) Financially owners of railroad stocks as a group have made out much worse than railroad employees as a group or individually (on the average) since the 1920's. Dividends on railroad common and preferred stocks have apparently declined in absolute dollar amount (according to the Interstate Commerce Commission figures published in the Department of Commerce's Historical Statistics of the United States and the annual Statistical Abstract). (A further downward adjustment seems necessary to eliminate double counting of railroad dividends paid on stock owned by other railroads.) After taking into account the decline in the value of the dollar, owners of railroad stocks are receiving much less purchasing power today than in their dividends during the 1920's.

If one takes into account the long periods since 1930 when dividends on railroad common stocks in the aggregate have been at very low levels, their owners as a group would have been far better off during these four decades to have had their investment in bonds, savings deposits, or other forms. Even in 1966, when railroad dividends reached their highest total in many years, the rate of return on the owners' equity (capital stock plus surplus) was only 2.80%, according to the Yearbook of Railroad Facts.

(iv) The Federal Government's receipts of income taxes from railroads have been trending downward since World War II (except for the period of the Korean War), and both it and some local governments are having to appropriate tax funds to preserve commuter service by rail in some localities and to pay part of the costs of developing high-speed passenger service between Washington and Boston.

4. The outstanding injurious trends affecting U.S. industry generally rather than railroads in particular during the last 40 years are first, the huge inflation which has advanced fairly steadily since the low point of the Great Depression. As already stated, the decline in the value of the dollar as measured by the Consumer Price Index of the Bureau of Labor Statistics has been about 50% since 1926. As measured by some indexes of the costs of construction, the price rise has