

Mr. BROWN. The railroads contribute to that fund, but it is not my impression that the railroads either pay directly or totally for that amount of money.

Mr. WOLFE. Yes; the railroads build up the fund. No one else contributes anything to it.

Mr. BROWN. It is a separate fund financed in what way?

Mr. WOLFE. Unemployment insurance tax that we pay on our payroll. If that fund, Congressman Brown, goes below a certain figure, then the percentage of our payroll tax goes up until the depleted fund is built up again.

Mr. BROWN. I think I understand how the unemployment compensation system generally works. Am I to understand it works separately for the railroads?

Mr. WOLFE. Yes; entirely so. We have a special act of Congress applying only to the railroads.

Mr. BROWN. This is under the Railway Labor Act?

Mr. WOLFE. No, sir. It is the Unemployment Insurance Act. The railroads have the Railroad Retirement Act, and the Unemployment Insurance Act.

Mr. MOSS. Mr. Chairman, would the gentleman yield?

Mr. CARTER. I yield the balance of my time.

Mr. MOSS. Isn't it a fact that the funds you are referring to, the Railroad Employees Unemployment Fund, is one to which you made currently a contribution required by law?

Mr. WOLFE. Yes, sir.

Mr. MOSS. And that contribution has been considered as a part of the operating expenses of the railroad over the years?

Mr. WOLFE. Yes, sir.

Mr. MOSS. Therefore, you have oversimplified vastly when you say that the railroads will be paying this because your obligation is to the extent of the fund and not an open end one; is that not correct?

Mr. WOLFE. No; that is not entirely correct, Mr. MOSS.

Mr. MOSS. I wish you would point out to me wherein I err.

Mr. WOLFE. Yes; I will.

The act specifically provides that the carriers pay a certain percent of the payroll. If the fund goes below a certain amount, the percentage goes up. I am not certain just exactly what that percentage is.

Mr. MOSS. It still is not an open end matter, is it?

Mr. WOLFE. It is $4\frac{3}{4}$ percent.

Mr. MOSS. It is not an open end matter?

Mr. WOLFE. It is not an open end matter.

Mr. MOSS. You are committed to the extent that the law requires contributions?

Mr. WOLFE. Absolutely.

Mr. MOSS. And only to that extent.

I wanted that cleared for the record.

Mr. WOLFE. I think we have said the same thing in different words.

Mr. MOSS. Thank you.

The CHAIRMAN. Mr. Pickle.

Mr. PICKLE. I thank you, Mr. Chairman.

I hope what I say to begin with is not considered in any personal vein. I have found that the line of questioning this morning is highly