

The bill would increase the costs of the railroad unemployment and sickness insurance program by \$20.5 million a year. We believe that these additional costs can be absorbed by the program without materially affecting its potential solvency. Obviously, the amounts available for the repayment of the indebtedness to the railroad retirement account would be greatly reduced; however, it is expected that they will still be of the order of \$30 million per year. With such a rate of repayment of principal, the indebtedness would be liquidated in another 5 or 6 years. From that point on some reserves will begin to gradually accumulate.

As I have stated earlier, the Board is unanimously in favor of the bill. Since the increase in benefits for annuitants affected by this bill would take effect on the same date as the social security increases, which is February 1, 1968, it would be desirable to adjust all our benefits at the same time and at the earliest possible date. We therefore respectfully request that this much needed legislation be considered an item of top priority on the committee's agenda.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Chairman. I might say the reason we have having these hearings today is that it is top priority.

Mr. HABERMEYER. I want to say we really appreciate this effort you have put forth to give us a prompt hearing and prompt attention on this much needed bill.

The CHAIRMAN. We realize the importance of it. I think every member of this committee does, and it would be an injustice if we allowed this social security increase to go into effect without the railroad retirees receiving additional compensation.

It is a rather complicated bill. I have been working in this field for some time and thought at one time I knew most of these things. It seems to me there are several complications in the bill that ought at some time to be clarified in some way.

Mr. HABERMEYER. We are going to attempt to do that as soon as we can get this amendment behind us. We are going to try to find some way of setting up our computations on a basis that will be easier to explain and understand. I have been working in this field now for almost 32 years, and I will agree with you it is very complicated.

The CHAIRMAN. I could start asking questions, and I am sure we could be here tomorrow and the next day asking questions, but I am not going to do that. I would like to explain to the members of the committee, as I understand this is an agreed-upon bill between management and labor and the Board.

Mr. HABERMEYER. That is right.

The CHAIRMAN. For that reason I was hoping we could get this bill reported today, that we can have the testimony and perhaps immediately go into executive session.

Mr. HABERMEYER. Thank you very much.

The CHAIRMAN. Mr. Springer, do you have any questions?

Mr. SPRINGER. Just to review this briefly, Mr. Chairman. I want to get the fundamentals before the committee.

What you are attempting to do in this bill is something similar to what was done in the social security bill for railroad retirees?

Mr. HABERMEYER. That is right.