

Brotherhood of Railroad Signalmen
 Brotherhood of Railroad Trainmen
 Brotherhood Railway Carmen of America
 Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and
 Station Employees
 Brotherhood of Sleeping Car Porters
 Hotel and Restaurant Employees and Bartenders' International Union
 International Association of Machinists and Aerospace Workers
 International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths,
 Forgers and Helpers
 International Brotherhood of Electrical Workers
 International Brotherhood of Firemen and Others
 International Organization Masters, Mates and Pilots of America
 National Marine Engineers' Beneficial Association
 Order of Railway Conductors and Brakemen
 Railroad Yardmasters of America
 Railway Employees' Department, AFL-CIO
 Seafarers' International Union of North America
 Sheet Metal Workers' International Association
 Switchmen's Union of North America
 Transportation-Communication Employees Union

Mr. SCHOENE. I had intended to spend a few minutes describing the bill that you have before you, but it has been so completely described by the Chairman of the Railroad Retirement Board I think I would find myself repeating his testimony if I attempted to go into any of the specific provisions of the bill.

Basically, what you have is a sort of aftermath of the Social Security Amendments of 1967. Those amendments did increase the tax on railroad employees and on railroads without giving corresponding benefits to employees who are retired.

I think in that respect there possibly may be some misconception on the part of some members of the committee as a result of Chairman Habermeyer's testimony. He testified, perfectly correctly that this bill does not increase the tax rate or the tax base in any respect, and that is true. However, what you should have in mind is that as a result of the social security amendments railroad retirement taxes were increased, both the rates and the base were increased. Also some beneficiaries receive direct benefits from the social security amendments. This bill is one that, in its railroad retirement aspects, completes the job of providing corresponding benefits, increases for those who did not get any benefit increase as a result of the social security amendments.

There is also another item that I think I should comment on, again generated by questions to the Chairman of the Railroad Retirement Board.

The Chairman testified, again completely correct, that there is a slight actuarial deficit in the railroad retirement account. This is all perfectly true. But, it should be understood, lest you get the impression that this account is running in the hole from day to day, I would like you to have in mind that this account has always been putting money aside for the future, and it is currently putting aside over \$200 million a year for future benefits.

In other words, the income of this fund today, with these amendments, will be \$200 million a year in excess of the expenditures. So we are not confronting any immediate crisis about the financing of this system.