

Report of Interim Committee

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costs, but the time used in the 64 different departments would, in all probability, consume the cost of a merit system. In other words, we are paying for, but do not have, a merit system.

Our Budget Director has performed a creditable task in standardizing pay according to types of work, but this leaves the gate wide open for favoritisms and bona fide errors, i.e., the head of Department A, because he doesn't know better or because he has taken a fancy to Jennie Jones, classifies her as a senior stenographer. She types only 40 words a minute, misspells, and is not too efficient, and she receives \$166.67 a month; yet the head of Department B, either because he doesn't know better or has taken a dislike to Susie Smith, classifies her as a junior stenographer. She can type 60 words a minute, spells correctly, and is generally efficient, but receives only \$125.00 a month. Besides the reduction of morale among employees, this causes waste and inefficiency in the State government.

This classification of positions and salaries is part of any merit system, and the fact that it has been done will enable Oregon to more quickly set a merit service law into operation.

Citations from the publication "The Business Value of a Merit System" reveal that the police department of Cincinnati, 72 square miles, operated under merit system with 615 policemen at an annual cost of one million dollars, whereas, St. Louis, Missouri, with only 64 square miles and without a merit system, uses 3000 policemen and spends five

million dollars. The post office department, since its merit system, works more effectively and saves annually \$60,000. Philadelphia reports a substantial saving with a merit system. Akron, Ohio, saved \$29,800 its first year under merit service. The small State of Maine, in its first year under civil service, saved many thousands of dollars and eliminated 186 unnecessary positions. St. Paul, Minn., Commission of Public Works, by civil service, was able to remove 50 percent of its employees. In 1938, an investigation of the Citizen League of Cleveland, found that without a merit system, its cost of waste removal was \$7.94 per ton with 488 employees, but in Cincinnati, with a merit system, it was \$3.98 per ton with only 214 employees. The area topography and other conditions favored Cleveland. Michigan reports an annual saving of \$1,200,000 of taxpayers' money through the standardization of salaries and the elimination of unnecessary positions.

"If the 43rd Legislative Assembly passes a merit system act for Oregon, it will become law in June, 1945. The merit system will begin to operate in the spring or summer of 1946. It would appear that this would be an ideal time for an establishment of a merit system because it is some time within the next two years that we look forward to final victory and reconversion of manpower to non-war industries.

"As State funds are now being set aside and post-war plans are now being made, we will have the money and blueprints ready to start State projects. Many new employees will then be hired not only for the new work, but to replace many partially capable temporary employees who are now filling in, due to man-power shortage.

"To assure the taxpayers that their money is being used as wages only to competent employees, and to give the veterans of this war a preference, the 43rd Legislative Assembly should enact a merit system law."

LEO SMITH
EARL HILL