

ter up at a couple of meetings with the Civil Service Director and asked that it be given further study. The other day the Civil Service sent a man out to review the wages of this particular group, but as yet Mr. Smith has not heard the outcome.

Mr. Stewart asked whether Mr. Smith thought it might be feasible to offer an amendment to the Civil Service Rules and Regulations whereby a conditional employee would be dismissed at the end of the trial service period, if unsatisfactory, or if not dismissed, he would automatically receive the six months salary step. To change the rules from "may" to "must" and either let him out or keep him and give him the increase.

Meeting adjourned on motion for luncheon at 11:45 A.M. to reconvene not later than 1 o'clock.

**Report of Virgil O'Neil,
Director of Public Relations**

The only report was that he was endeavoring to improve public relations and would be glad to receive any suggestions or criticisms.

**Report of Floyd Query,
Directors of Laws and Legislation:**

Mr. Query said the assembling of legislative program was deferred until this Board meeting, but that they had not been entirely inactive, having assembled some information from the U. C. C. on rates of pay. The data is reliable from 1939 to the present time showing rates of pay for industry and for state employees and will be of assistance later on.

**Report of J. E. Morelock,
Director of Retirement:**

Mr. Morelock reported that he had taken up the retirement programs with the teachers and the League of Oregon Cities. So far the program hasn't been too clear but they generally agree with it on five points: First, to increase disability benefits to lowest retirement age; second, increase base of \$2.50 a month to a larger figure; third, increase from 20 years to all prior service; fourth, pay the full amount of prior service to individual regardless of retirement age; and fifth, matching state funds in excess of \$2400. Both the \$2.50 and whether to go beyond the \$2400 was sidestepped and left with the Board of Directors. The only constructive point about raising the \$2.50 was the \$5.00 proposed by Mr. White. Point number four was criticized chiefly by Mr. Kehrli on the grounds that the State was under no obligation to those who fail to complete the period of usefulness. Mr. Kehrli and the teachers have gone on record as favoring removal of the \$2400 limit entirely as they want it matched up to whatever amount is received. Mr. Kehrli said he did not have the endorsement of the League, but the teachers say they want it. They further raised the point—although they are aware that it was voted down at our General Council—of thirty years service or an alternate of 55 years of age. The school teachers have a much sounder basis for consideration than we do inasmuch as the older school teacher may find it very difficult to obtain employment. The Association has defeated that point and we cannot give them support on that point.

Mr. Morelock further stated that an amendment has been proposed by the teachers and he has a copy, but as yet he has not had time to read it all and doesn't know exactly the entire contents. He said he would study it and communicate with Mr. Stewart. He said if it would be of any benefit to the Laws and Legislation Committee, two or three items might be decided at this meeting of the Board.

Mr. White recommended that when the

subject of retirement was considered that the prior service allowance of \$5.00 instead of \$2.50 be considered.

**Report of D. H. Cameron,
Chairman of Insurance Committee:**

About the insurance proposition, Mr. Cameron reported that total premiums from April checks for May insurance amounted to \$800.13 covering 475 employees. Since that time two additional chapters have qualified and 568 persons now are covered by life insurance. This is not enough for the company to write the contract and make a profit and the profit coming to the Association was one factor which had been discussed.

Mr. Cameron continued that the time was rapidly approaching when the Company would close the contract and then would take only the new employees, taking the old employees only after passage of physical examination. There also is the matter of throwing the contract open. A number of discussions have been had on this point and the Company was quite anxious to throw the contract open. Now, however, they have changed their minds, partly probably because Mr. Cameron raised the question of the 100, 200 or 300 applicants they would immediately get after the contract was thrown open, being about 20% not good insurance risks. They would be

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