

ary increase. We believe that they have earnestly applied themselves to a tremendous problem, have acted to the fullest extent possible with the limited funds available, and have evidenced a real concern for the State's employees and their problems. In this spirit, we look forward to continued progress in the handling of employee problems. We pledge our continued full cooperation in supporting all measures and actions which will provide improved public service in governmental functions.

## President's Message on Salaries and Wages

The people of Oregon throughout the years have taken the State employees for granted. They have assumed that most of us have a good paying position. The news items that have been in the press from time to time during the past six months about our wage problem have, I believe, enlightened and helped them to realize that the State's business can be conducted properly only with the help of qualified employees who receive a just wage for their services.

The "cost of living salary increase" which the Oregon State Employees Association was instrumental in securing was not only a moral victory for the Association, but was also of some financial help to all State employees. Our Governor, Budget Director, the members of the State Emergency Board and Civil Service Commission are to be commended for the cooperation they gave us. While the "increase" is inadequate, we realize that under the present State financial system, additional funds are available only by legislative appropriation.

In conducting the State's business, regardless of whether or not the department is self-sustaining or operates by appropriation from the State general fund, the Legislature by law, in the approval or disapproval of the prepared budgets, determines the amount of

funds available for each and every operating division of the State Government.

You have heard many discussions and have also read articles in the press about the surplus in the income and excise tax funds which by the end of this biennium will exceed \$50,000,000. You have also, no doubt, learned that it is the opinion of our Attorney General that these funds could be transferred to the general fund, and that a test case is being made for the purpose of having the subject passed on by the Oregon Supreme Court. It is exceedingly important to have this problem determined by the Court as quickly as possible so that action may be taken to bring the subject before the people at the coming November election through initiative petition if the Court should decide that the funds are not available without a vote of the people.

Regardless of the manner in which funds are made available, no funds can be used except by appropriation of the Legislature. I believe that the serious wage problem that now confronts each and every department and which has been brought to the attention of the people of this State through our efforts will insure favorable action by the members of the 1949 Legislature—not only their approval of the budgets which should include a just wage for all State employees, but also the approval of a salary emergency fund as recommended by our association at the 1947 session.

During the coming months prior to the convening of the 1949 Legislature, the Civil Service Commission will, I am sure, make an exhaustive survey of salaries and wages being paid in private industries in Oregon and wages paid other public employees in Oregon as well as salaries paid to the employees of the other Northwest States, and present a new wage scale to the next Legislature for all classes of employment, not only for the biennium beginning July 1, 1949, but also for the six months beginning January 1, 1949.