

not be difficult for us to come to an agreement with them on the new pay plan for the biennium July 1, 1949 to June 30, 1951. Our Legislative Committee (Floyd Query, Chairman) has been doing an outstanding job on the wage problem and will present a complete report to you. This Committee will also make recommendations as to what should be done about salaries and wages for the first six months of 1949, and an emergency fund to be available in the event of continued cost of living increase. As far as I am concerned, we must have "parity pay."

RETIREMENT

Your committee on Retirement (J. E. Morelock, Chairman) has been carefully considering some important changes in our Retirement Law and will present recommendations to you. I personally believe that it is exceedingly important at this time for us to request a substantial increase in "prior service credit." In fact, I have advocated that the amount be raised to \$5.00 per month for each year of prior service up to 20 years. There are other important amendments which the Committee has had under consideration, all of which will be outlined to you in the report.

INSURANCE

Our group insurance has not been as successful as was anticipated. As of September 30, 1948, 1503 persons were under the plan—603 members, 462 spouses and 438 children. The Highway Commission's refusal to make payroll deductions has been a barrier as it applies to our membership with that department. Your board made every effort to bring about their cooperation, and I personally called upon T. H. Banfield, Chairman, early last spring in an attempt to secure results, all to no avail.

Your committee on insurance (Dave Cameron, Chairman) will have a complete report for you and will make recommendations. I understand the company is willing to continue the plan at the same rates, although they state

that actuarially the rates should be increased.

FINANCIAL

The report of our Secretary and Treasurer, Ruth Jaynes, will show a marked improvement in the financial position of the Association, all deficits eliminated and a surplus on hand. This is the direct result of our increase in membership, which as you all know is the difference between failure and success.

CLOSING REMARKS

In addition to the salary adjustment and the remarkable increase in membership as I have indicated to you, the Association was instrumental in obtaining other objectives which will be referred to in the report of our Executive Secretary.

Our employed staff, Forrest Stewart, Executive Secretary; Jean Brimacombe, Secretary and Accountant; and our Attorney, F. Leo Smith, continue outstanding in their work for the Association, and I especially commend them to you.

During the year I attended meetings of a majority of the Association Chapters and discussed our mutual problems with them. I accepted every invitation received with the exception of Klamath Falls No. 12 and La Grande No. 4, and I am indeed sorry that I was unable to meet with all chapters during my term of office.

To me it has been a pleasure to serve you and an honor to be a member of an Association dedicated to the welfare of the State of Oregon and its employees.

You can accomplish more with a backbone than a wishbone.

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People who monkey around often find themselves working for peanuts.

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Flat doesn't mean level when applied to heads.