

Rating, Advisory Group Advocates Reorganizing Unemployment Group

By PAUL W. HARVEY JR.

SALEM (AP)—Increased employer taxes, reorganization of the Unemployment Compensation Commission and extension of jobless coverage were recommended today by the 17-member Experience Rating and Advisory Council.

The council was appointed by the governor to recommend changes in the unemployment compensation laws. Its special task was to find a way to stop the steady depletion of the unemployment trust fund, out of which benefits are paid.

The council's major recommendations, all of which will be given to the legislature, are:

1. Increase employer's payroll taxes by taxing the first \$4,000 of a worker's salary or wages. Now, only the first \$3,600 is taxed.
2. Abolish the state Unemployment Compensation Commission of three persons, and substitute for it a Department of Employment. It would be headed by a commissioner who would be appointed by the governor.
3. Extend coverage to employers of one person. The law now applies only to employers of two or more persons. Coverage also would be extended to employees of charitable institutions and other minor classes.

The council, all of whose recommendations were unanimous, said that the top tax rate should remain at 2.7 per cent of payroll.

All employers have been paying a flat 2.7 per cent tax rate since last March 31. Before that, they paid a scale ranging from .3 of 1 per cent to 2.7 per cent.

The flat 2.7 rate was applied because the impact of heavy employment shrank the fund to dangerously low levels.

The fund now totals only 27 million dollars, compared with 85 million in 1948.

Officials fear that the fund might virtually disappear by next spring, so the legislature will have to act quickly to equalize the payments by employers with the payments to the jobless.

The council said it thought its recommendations would accomplish this.

Another recommendation by the council is that the legislature tighten procedures to force prompt payment of payroll taxes.

It also said that women who quit jobs because of pregnancy should be denied benefits; and that benefits be further curtailed for those fired for cause, who quit voluntarily, or who fail to try to get work.

It also recommended that the governor be given authority to apply for emergency federal loans to pay benefits when the state's trust fund is in danger of depletion.

Gov. Robert Holmes obtained such a loan last April in the amount of 14 million dollars. But the money had to be returned because Atty. Gen. Robert Thornton ruled that the state has no legal authority to accept such a loan.

Another recommendation by the council is that the reserve ratio be set at 6 per cent of annual payroll, or double the present ratio.

This means that, in the present Oregon economy, the fund would have to contain at least 63 million dollars to permit operation of the experience rating system.

Now, the experience rating system is dropped when the fund falls below 31.5 million.

The council would keep the experience rating system, but in somewhat modified form. Under this system, employers who maintain stable employment are entitled to pay reduced taxes.

Since last March 31, the experience rating system was dropped when the fund fell below 31.5 million.

The council said it regretted that the fund hasn't been on a sound actuarial system for several years.

But, the council added, the Oregon unemployment insurance program has clearly demonstrated its value in relieving economic hardship by replacing a portion of the loss of individual wage income and purchasing power caused by unemployment.

"We strongly urge that such a valuable program be financed on a sound actuarial basis."



INSTRUCTOR for the fifth annual ski school to be conducted this year at the Mt. Shasta Ski Bowl will be Mrs. Velma Nile. Mrs. Nile will be assisted by 31 other expert skiers at the school, which will start Saturday, January 17, and close with a carnival on Sunday, February 15. More than 500 students are expected this year from McCloud, Dunsmuir, Weed and Mount Shasta. Transportation will be supplied from each town by the recreational department.

— Photo by McKinney

Desire Holds Peace Key, Says Former GI Chief

BATON ROUGE, La. (AP)—Lt. Gen. Troy Middleton, who 14 years ago made the vital decision to hold Bastogne against the Germans in the Battle of the Bulge, said today desire is the most important factor for success in war or peace.

The 69-year-old Mississippian, president of Louisiana State University since 1951, explained, "If a person has a desire to make good, he will make good. Our football team is a good example. They had a desire to win."

LSU's light but fast squad trampled 10 foes for its first perfect season in 50 years and the national championship.

"The same thing is true in fighting a war," he added. "If you want to hold a position, you can do it. The other fellow will quit first."

It was a cloudy, cold day Dec. 16, 1944—with ceiling so low even observation planes couldn't get off the ground—when the Germans launched a major attack along the 88-kilometer front of the Moselle River in Luxembourg thinly held by Middleton's 8th Corps.

"I ordered the men to fight in place," he said. "They couldn't withdraw. . . . The next place would be worse."

"Two of our infantry divisions were under strength, badly shot up from the fighting in the north," the general remembered. "They had been sent to our area to rest. Our 3rd Infantry Division had never been in combat, and we had only about half of an armored division in support."

"The best we could do was try to build islands of resistance, knowing they would be surrounded," Middleton said.

Bastogne was like the hub of a wheel with roads leading in all directions. I felt we should hold it at any cost. Gen. (George) Patton first criticized me for holding it. Later, he said it was a stroke of genius."

The LSU president was in the middle of a segregation row last summer when 66 faculty members signed a petition opposing legislation to close public schools ordered to integrate.

Middleton defended the rights of his faculty before a legislative investigating committee.

"I'm a Southern boy," he explained, "a segregationist. But I took an oath back in 1910 to uphold the President and the Constitution. I'm not about to break it now. I may disagree with the court but it's not for me to disobey them."

Born on a plantation near Georgetown, Miss., Middleton is a graduate of Mississippi State University. He enlisted in the Army in 1910 and was commissioned two years later. Serving with the 47th Infantry, he became the youngest colonel in World War I. In 1926, as an instructor at the Command and General Staff College at Ft. Leavenworth, Kan., one of his students was President Eisenhower.

Middleton came to LSU in 1930 as commandant of cadets. Later, he served as dean of men, dean of the university and during the 1939 Louisiana scandals, became acting comptroller and acting vice president. He retired from the Army in 1937.

In 1941, he became comptroller, but was recalled to the Army the next year. As commander of the 45th Division and the 8th Army Corps, he saw action in Sicily, Italy and France.

He returned to LSU as comptroller after the war, serving until he became president.

New Generator Put Into Service

BROWNLEE, Idaho (AP)—Another generator went into service Wednesday at Idaho Power Co.'s Brownlee Dam on the Snake River near here.

It was the third 90,000-kilowatt unit to go on the line, and pushed the dam's generating capacity to 270,000 kilowatts.

The fourth unit probably will go into service in January.

Station Data Given FCC

WASHINGTON (AP)—KEED, Inc. of Springfield, Ore., offered engineering data Wednesday before the Federal Communications Commission in its bid for a new Channel 9 television station at Eugene.

Television engineer Robert Leach of Oakland, Calif., presented technical operating details at a hearing before an FCC examiner.

D.A. McDonald, president of Liberty Television Inc., of Eugene, which also seeks the channel, and his wife testified earlier at the hearing.

Also slated to testify is Glen Stadler, president of KEED, which operates AM and FM radio stations at Springfield.

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Combined RR Service Set

OMAHA (AP)—The City of Portland passenger train will be combined with the City of Denver Jan. 11, the Union Pacific Railroad said Wednesday.

The railroad said that because of a lack of patronage, the trains will be combined in slack seasons.

However, the firm said the trains will be operated separately in the summer tourist season.

The City of Portland ran between Chicago and Denver, going southwest from North Platte, Neb.

The railroad announced this new schedule:

Leave Chicago at 3:45 p.m. (CST), arriving in Denver at 7:30 a.m. (MST) the next day, and in Portland at 8:15 a.m. (PST) a day later.

The train will leave Portland at 1 p.m., arrive in Denver at 3:30 p.m. the next day and in Chicago at 9 a.m. on the return trip.

Ex-Welfare Aide Named As Thief

MADERA, Calif. (AP)—A former welfare worker has been charged with stealing welfare checks intended for needy families.

Dist. Atty. Lester Gendron said Mrs. Doris Lacey Mastin, 41, is charged with 14 counts of grand theft and forgery. Authorities were trying to find her today.

He said she obtained \$2,894. She handled cases where family heads were unable to work.

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