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"Harmony in
Diversity"

PORTLAND CITY CLUB BULLETIN

"Active
Citizenship"

VOLUME XIII

PORTLAND, OREGON, DECEMBER 9, 1932

NUMBER 32

FRIDAY, DECEMBER 9

HOTEL BENSON; 12:10

AMERICA vs. EUROPE

SPEAKER

DR. ERNEST O. HOLLAND

President, Washington State College

Member, Advisory Board, Reconstruction Educational Alliance

SUBJECT

"American Versus European Education"

"To ignore what has been done in other parts of the world would be unwise, whether in the field of education or any other field, and to follow slavishly what has been found acceptable and profitable in England, Germany, Italy or Russia would be the height of folly," stated President Holland in a recent letter to the City Club.

The power of education as a factor in the making of citizens is axiomatic; witness *A New Russia's Primer*, the Duce's educational program which gives "the march on Rome" a hallowed place in the hearts of Italian school boys, and Turkey's budding nationalism attempting to wrest the teaching of Turkish history and ideals from the hands of foreign educators.

Can America's system which has evolved in the light of American economic needs and large political and social ideals be defended? Dr. Holland will answer this question and his address promises a real treat to all who hear him. Dr. Holland is not only a lecturer of note and an outstanding educator but also a student of European social and economic conditions. Don't miss this address. Tell your wives, your neighbors, bring a guest.

Tell Your Friends

Bring A Guest

PENSION SYSTEMS OF PORTLAND POLICE AND FIREMEN

A Report by the Government Organization and Public Finance Section

NOTE:—In last week's issue of the *Bulletin* the committee on Pension Systems of Portland Police and Firemen pointed out that the firemen's pension system is again headed for disaster. Although increased contributions by the city and the firemen pulled the fund out of the red in 1929 following a three year period of deficit, the 1931 net income decreased nearly 30%. The committee indicated that at this rate it would only be a few years until expenditures again exceeded income and another adjustment would be necessary. This week's installment of the report includes a survey of the Policemen's pension system and the conclusions and recommendations of the committee will be presented the week following. The members of the committee presenting this report are Guy E. Jaques, chairman, I. E. Hervin, Wm. L. Brewster, Rupert R. Bullivant, Fred Dozier, M. R. O'Blisk, Wm. G. Dunlap and Paul Newman.

THE POLICEMEN'S PENSION

The Charter of the City of Portland contains provisions regulating the source, control and administration of the "Policemen's Relief and Pension Fund." In a general way the Fund corresponds to the Firemen's Pension Fund.

Income Is Low

The main difference is that each member of the Police Bureau has deducted from his monthly salary 1¼% of the amount paid a "Class C" patrolman. The annual tax levy paid into the Fund is 1/10 of a mill on the total assessed

Continued on Page 3

Tune in KEX at 4:15 P. M. Sunday

PORTLAND CITY CLUB BULLETIN

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THE CITY CLUB

OF PORTLAND

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Entered as Second Class Matter, October 29, 1920, at the postoffice at Portland, Oregon, under act of March 3, 1879.

City Club dues are \$1.00 per month, payable semi-annually on May 1st, and November 1st. There is no initiation fee.

The regular Friday luncheon meetings are held in the Crystal Room of the Benson Hotel.

CITY CLUB PURPOSE

"To inform its members and the community in public matters and to arouse them to a realization of the obligations of citizenship."

THE CITY CLUB BOARD OF GOVERNORS

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APPLICATION FOR MEMBERSHIP

The following application for membership, having been approved by the Board of Governors, is hereby recommended to the Club.

If no objections are filed with the Board of Governors or the Executive Secretary prior to December 9, 1932, this applicant will, under the Constitution, stand elected.

TOYOICHI NAKAMURA
 Japanese Consul
 814 Board of Trade Building
 Recommended by Hiroshi Acino

CITY CLUB NOTES

If you are interested in what should be done about the Police and Firemen's pension systems don't fail to read the recommendations and conclusions of the committee which will be published in next week's *Bulletin*.

Watch for the committee report on the Juvenile Court of Multnomah County which will appear in an early issue of the *Bulletin*. The report is the most exhaustive study of the Juvenile Court since the 1930 survey by Marjorie Bell, Field Secretary of the National Probation Association.

Doc. Dad and the Judge extend everyone a personal invitation to join them in their tour of Portland this coming Sunday when they will investigate the proposed street changes outlined in the Bartholomew report. Dial station KEX at 4:15 p. m. and ride with them.

The Y. M. C. A. in order to create work for the unemployed office girls of Portland, has inaugurated a new part-time office service. Over 80 stenographers, bookkeepers and clerks with from 2 to 18 years experience in various lines of business are available for part-time work—One Hour, One Day or One Week—as desired. This service will be especially beneficial to those firms whose business at this time does not warrant the employing of a girl full time. When the work in your office piles up, now that the holiday season is here, CALL the Y. W. C. A. Employment Bureau—BEACON 9547—and receive prompt and efficient help.

But is there no relief for the breaking backs of the taxpayers? We think there is, but the route is not through indiscriminate slashing of expenditures without regard to the consequence. Such tactics are more likely to shift the expense from the tax dollar to the private dollar with a consequent loss to the taxpayer or merely a postponement of the day of reckoning when amends will have to be made as for example: the elimination of pre-natal clinics, with a consequent increase in infant mortality rates; the failure to keep pavements in repair with an exceeding high maintenance cost the next year or perhaps even a new pavement; and the laying off of firemen with an increase in fire insurance premiums. Thus cheap government is not always good government. It is essential that cuts be made only after proper study and careful analysis of the facts—

CLARENCE E. RIDLEY.
ORIN F. NOLTING.

POLICE PENSION SYSTEM

Continued from Page 1

valuation of the City of Portland. Approximately 3/5 of the Fund represents taxes; 1/5 dues of members of the Police Bureau; and 1/5 interest earned on the investment reserve.

Board Administers the Fund

The administration of the Fund is in the "Board of Trustees of the Policemen's Relief and Pension Fund." The city officials, who are also trustees of the Firemen's Fund, the Chief of Police, who is substituted for the Chief Engineer of the Fire Bureau, and five additional members of the Bureau of Police are members of the Board. Three of these five are above the rank of patrolmen and two members are elected by the policemen themselves.

Chief Receives Same Pension As Patrolman

The benefits payable conform to those set forth for the firemen, except no allowance is made for burial expense. Retirement and permanent disability benefits are the same as for firemen except the amount payable is one-half the salary of "Class C" Patrolmen, irrespective of the beneficiary's rank in the Police Bureau. The Chief of Police thus receives no greater pension or sick benefit than a patrolman.

Temporary Disability Benefits

The amount of benefit payable on temporary disability depends upon whether the injury or sickness is incurred in line of duty or not. The full salary of a "Class C" patrolman is paid for a year, if necessary, when the sickness or injury is incurred in line of duty, and one-half the salary when it is not incurred in line of duty with a limitation of payment to three months under the latter condition.

Dependents Receive Benefits

Benefits to widows, children and other dependents of deceased policemen are similar to the benefits for the firemen except the amount payable is one-half the salary of a "Class C" patrolman, with the further provision that deceased must have served fifteen years in the department if death can not be traced to accident or illness incurred in line of duty.

The widow of a retired policeman to receive a pension must have been his wife prior to his retirement. Pension benefits to the widow, minor children or dependent parents are payable whether or not the deceased had been previously retired. These pension benefits are also payable in the case of a temporary policeman killed by an injury received in line of duty.

Load of Pension Fund Is Very Heavy:

The "Police Fund" has now arrived at the same point the "Firemen's Relief and Pension

Fund" was in 1925, namely, where disbursements exceed receipts and it is necessary to dip into reserves. A loss of approximately \$3000 in taxes, plus a gain of \$6000 in amounts paid pensioners accounted for the operating deficit.

While the amount of taxes received by the Police Fund in 1931 (\$31,124.32) was, as stated, less than 1930, it still was only \$1000 less than the average annual amount of taxes received for the thirteen years (1919 to 1931, inclusive).

We thus readily reach the conclusion that the yearly variation in tax receipts is a very minor factor in determining the future solvency of the Fund.

Other Factors Are Negligible

Likewise, sickness disbursements (averaging roughly \$1600 per year for the 13 year period 1919 to 1931, inclusive) are a minor factor. Sickness disbursements in 1931 were only \$864.20.

Disability benefits paid for injuries also averaged but \$1800 per year for the same 13 year period and actually for the year 1931 were only \$1039.13.

Interest money received on the reserve invested has been a constantly increasing amount with the exception of 1931, but the decline in this latter year was less than \$400, so this factor is also negligible.

Pension Payments Increase 750%

With the single exception of the year 1922 the total amount of payments to pensioners, including widows and dependents, has constantly increased from \$7456 in 1919 to \$55,866 in 1931, or approximately 750%. The amount actually paid pensioners for 1931 slightly exceeded the income to the Fund and represented 96% of the expenditures for that year; 93% in the year 1930, 89% in 1929 and 87% in 1928.

It is thus obvious that unless the income of the Fund is materially increased, the benefits payable in the form of pensions must be greatly reduced, or the number of pensioners curtailed, in order that the Fund continue solvent.

Dependents Receive Large Portion

While the City Auditor's records show the total payments each year to pensioners, the segregation is not made between payments to employees and payments to surviving dependents of deceased members of the Police Bureau. For that purpose the vouchers for three arbitrarily assumed years (1920, 1925 and 1930) were checked over as per the following table:

	PERMANENT PENSIONS		
	1920	1925	1930
Pensions to Employees . . .	\$ 9,152.66	\$16,715.80	\$27,363.00
Pensions to Dependents . . .	3,813.36	12,371.08	23,231.00

Total Permanent Pensions \$12,966.12 \$29,086.88 \$50,594.00

Note:—The total figures vary slightly from the Auditor's report and are probably due to our error in compilation.

It will be seen that whereas the pensions to employees have increased three times in the decade, 1920 to 1930, the pensions to surviving dependents have increased over six times, and amount to 43% of the disbursements.

Income and Expenditures of the Fund

Chart G and Table No. 10 give by years the amount of revenue received by the Policemen's Fund, the sources from which the revenue was

TUNE IN
DOC, DAD AND THE JUDGE
Next Sunday Evening at 4:15 p. m.
STATION K E X
"A MAJOR STREET PLAN FOR
PORTLAND"
Based on the Bartholomew Report

CHART G.

Total Income, 1919 to 1931, inclusive

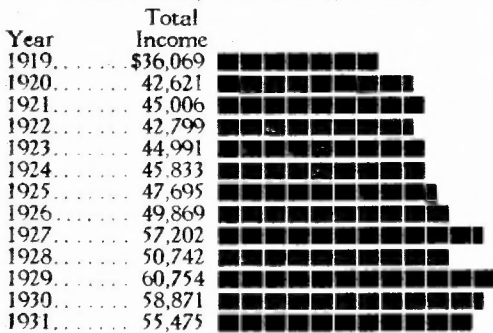


TABLE No. 10.

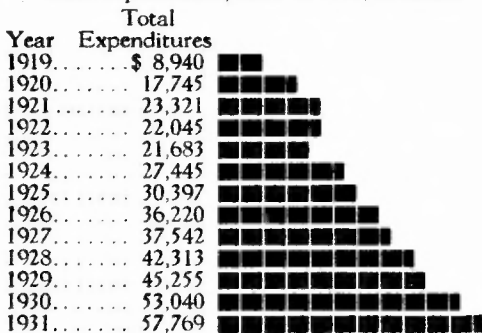
Sources of Income, 1919 to 1931, inclusive

Year	Taxes	Dues	Interest	Miscel.	Total
1919	\$27,430	\$ 7,611	\$ 686	\$ 340	\$36,069
1920	30,424	9,759	2,407	30	42,621
1921	31,315	10,031	3,603	56	45,006
1922	29,110	8,650	4,964	75	42,799
1923	29,371	8,885	6,671	63	44,991
1924	29,939	9,015	6,778	100	45,833
1925	30,667	9,736	7,292	7	47,695
1926	30,693	9,863	9,305	7	49,869
1927	33,965	11,999	9,161	2,075	57,202
1928	28,559	12,351	9,828	2	50,742
1929	37,549	12,415	10,778	11	60,754
1930	34,496	12,845	11,503	25	58,871
1931	31,124	13,083	11,127	142	55,475

obtained and the proportion of the total yearly revenue furnished by each. Chart H and Table No. 11 show the total expenditures of the fund

CHART H.

Total Expenditures, 1919 to 1931, inclusive



and for what they were expended. It will be noted that the income is decreasing each year and that the expenditures are increasing steadily.

The following Chart and Table No. 12 show the net income by years and show that the net income has been decreasing steadily until the expenditures in 1931 were more than the income and it was necessary to draw on the reserves.

CHART I.

Net Income, 1919 to 1931, inclusive

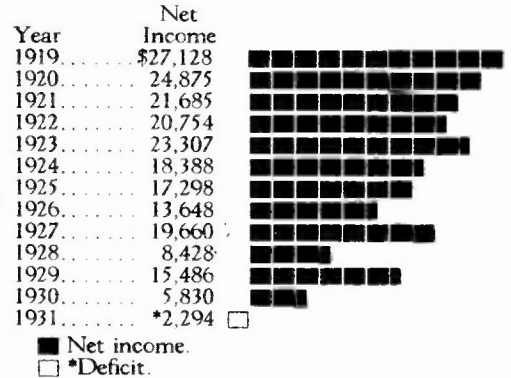


TABLE No. 12.

Net Income, 1919 to 1931, inclusive

Year	Total Income	Total Expense	Net Income
1919	\$36,069	\$ 8,940	\$27,128
1920	42,621	17,745	24,875
1921	45,006	23,321	21,685
1922	42,799	22,045	20,754
1923	44,991	21,683	23,307
1924	45,833	27,445	18,388
1925	47,695	30,397	17,298
1926	49,869	36,220	13,648
1927	57,202	37,542	19,660
1928	50,742	42,313	8,428
1929	60,754	45,255	15,486
1930	58,871	53,040	5,830
1931	55,475	57,769	* 2,294

Note:—The * indicates a deficit. Also the "Net Income" per year does not exactly agree with the increase (or decrease) in total resources per year because all transactions pertaining to securities, for instance premiums and discounts, have been omitted in the preparation of statements of Income and Expense.

TABLE No. 11.

Total Expenditures, 1919 to 1931, inclusive

Year	Pensions	Sickness	Injury	Total	Miscel.	Total
1919	\$ 7,456	\$ 688	\$ 325	\$ 8,470	\$ 469	\$ 8,940
1920	13,432	3,048	1,192	17,673	71	17,745
1921	17,743	3,070	2,507	23,321	23,321
1922	17,126	1,359	3,443	21,928	116	22,045
1923	18,443	1,480	1,759	21,683	21,683
1924	22,867	1,427	3,066	27,360	84	27,445
1925	28,205	1,535	587	30,328	68	30,397
1926	31,425	804	3,729	35,959	261	36,220
1927	33,888	763	2,788	37,440	101	37,542
1928	36,831	1,347	4,113	42,293	20	42,313
1929	40,134	1,970	3,150	45,255	45,255
1930	49,408	2,338	1,228	52,975	65	53,040
1931	55,866	864	1,039	57,769	57,769