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"Harmony in
Diversity"

PORTLAND CITY CLUB BULLETIN

"Active
Citizenship"

VOLUME XIII

PORTLAND, OREGON, DECEMBER 16, 1932

NUMBER 33

FRIDAY, DECEMBER 16

HOTEL BENSON; 12:10

SPEAKER

DR. VICTOR P. MORRIS

Professor of International Trade, University of Oregon

SUBJECT

"What Next with the War Debts?"

As this week's *Bulletin* goes to press, Thursday, December 15, looms as another "red letter" day in the annals of international finance. Payment of the war debt installments due on this day presents merely another episode in this "tragic accounting of the war". What appeared to be a united European front for postponement was broken on December 6 when Italy's Grand Council, and Mussolini, pledged payment of their installment of the debt. Belgium has defaulted and the government has resigned. Premier Herriot of France was overthrown when the government's proposal to meet the payment Thursday "with reservations" was defeated by the Chamber of Deputies. Britain and Czechoslovakia have pledged payment on time but not without reservations. There still remains Sir Norman Angell's challenge of last week when he stated, "Britain will pay on December 15 but the question is whether you can afford to accept it". What next with the war debts?

AND ALSO

AN OPEN FORUM

TO DISCUSS

PENSION SYSTEMS OF PORTLAND POLICE AND FIREMEN

The final installment of the committee report is printed in this week's *Bulletin* and will be presented for action at today's meeting.

PENSION SYSTEMS OF PORTLAND POLICE AND FIREMEN

A Report by the Government Organization and Public Finance Section

NOTE:—In the last two issues of the *Bulletin* the committee on Pension Systems of Portland Police and Firemen pointed out that the firemen's system, which was brought out of the red in 1929, is again headed for disaster while the policemen's system has already arrived at this point and is operating at a deficit. The committee voiced the urgent necessity for an adjustment if the funds were to continue solvent. In this week's issue the final installment of the report is printed setting out the conclusions of the committee and the recommendations deemed necessary to place the pension funds on a sound financial basis.

CONCLUSIONS

After gathering the preceding information the committee endeavored to determine what should

be done to help correct the difficulties into which the funds have fallen.

Several meetings were held with members of the Fire and Police Pension Boards. The City Auditor and City Treasurer, who are ex-officio members of the Boards, were present. The findings of the committee and its recommendations were thoroughly discussed at these meetings.

No Good Reason For Discrimination

Under the present system the policemen's dues and benefits are based on the salaries of

Continued on Page 3

Tune in KEX at 1:45 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."

RADIO BROADCAST NOW 1:45 P. M. SUNDAY

The regular City Club broadcast will come to you at 1:45 p.m. next Sunday afternoon. Tune in station KEX and hear Doc, Dad and the Judge discuss "A Long Time Improvement Program" as applied to the Portland metropolitan area and the relation of this program to a City Plan. This Broadcast completes a series devoted to methods of planning the future development of Portland.

Club radio activities will be discontinued during the holiday season until January 8. On that date the Radio Committee will begin an important series of broadcasts based on the City Club committee reports concerning major issues before the State Legislature.

The great value of the material presented in the Club broadcasts warrants the attention of the entire community. The information is not only interesting but useful to every citizen. Tell your friends and listen in yourselves.

REMEMBER:—KEX AT 1:45
Next Sunday Afternoon

GRAND LIMERICK CONTEST

CITY CLUB MEMBERS ENTER
LITERARY FIELD

Prizes!

Prizes!

Prizes!

In response to a widespread demand, the *Limerick Editor* has consented to conduct a "Limerick Contest" for City Club members only. Here is your opportunity. Try your hand at this fascinating game. You may be a poet and win the GRAND PRIZE!

Prizes For Everyone

There are no catches, no blanks, no rules. Every contestant will receive a *Special Prize* no matter how poor his limerick may be. All offerings will be published in the order in which they are received, provided: a signed application for membership in the Club accompanies each entry.

The author of the initial entry, which is published below, modestly claims that it is useless for anyone else to compete, but—who knows? YOU may be the winner!

Here is today's offering. Try and beat it.

*Our Club needs new members right now, so
Get busy and get one or two, though
We'd rather have more,
Even ten or a score.*

Win a prize! And besides, help our Club grow.

—Authorship admitted but name withheld from publication for reasons we are not at liberty to disclose.

THE GRAND PRIZE!!

Some one will win and it might be you. The grand prize is an imposing list of twelve prospects for City Club membership. In case of a tie EACH successful contestant will receive twelve prospects for Club membership.

SPECIAL PRIZES! !

There are no blanks. Every contestant, regardless of the quality of his limerick, will receive a special prize consisting of one prospect for City Club membership.

NOTE:—The *Limerick Editor* and all members of his family are ineligible to compete in this contest.

All funds raised by the Milk Fund vaudeville show which will be given this evening at the Civic Auditorium will be used to provide milk for the children of destitute families. One 50c ticket will furnish eleven quarts of milk.

The Portland Symphony Orchestra and the Portland Choral Society will present an "Extra Holiday Concert" at the Auditorium on December 26. Here is an opportunity to hear this Orchestra and Chorus at popular prices ranging from 25c to \$1.00.

**EDUCATOR DEFENDS
AMERICAN EDUCATION**

The American educational system offers an open way from the poorest homes to the best things of life as opposed to the caste system embodied in European educational principles. In reducing educational expenditures we cannot cripple the American ideal of equality of opportunity without endangering our entire social organization. This was the conclusion of Dr. Ernest O. Holland, president, Washington State College, in an address before the City Club membership at last Friday's meeting.

In America more students go from the elementary schools to higher educational institutions than in any other country of the world declared Dr. Holland as he went on to point out that there are more high school boys and girls in the city of Los Angeles than in Austria, more in New York City than in the whole of France and more in Detroit than in London. "Only one individual in ten of high school age is enrolled in the English high school while on out of every three goes to high school in America," continued Dr. Holland.

"At this time there are those who say that educational expenditures should be cut 50% and that the number of boys and girls in our high schools should be greatly reduced because there are too many white collar folk. Our system is not perfect, and all the time there will be changes, but education should not be tampered with from the outside, rather advice should come from the inside.

"A man would be foolish and unfair if he would not do all he could to reduce the unnecessary costs of education, but an indiscriminant slashing of expenditures cannot be done with safety. The ideal of equality of opportunity must be maintained because the greatest danger to our capitalistic society is to deny the common, sovereign folk of America the opportunity to rise as high as their abilities warrant. The American educational system offers this opportunity and therein lies the great difference between European and American education."

Dr. Holland was introduced by Dr. Norman F. Coleman, president of Reed College.

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 30, 1932, this applicant will, under the Constitution, stand elected.

PAUL C. ADAMS
Executive Secretary, Oregon Dairy
Council
112 Citizens Bank Building
Recommended by C. Ulysses Moore

PENSION SYSTEMS

Continued from Page 1

Class "C" Patrolmen; the firemen's dues and benefits are based on the salary of the particular men concerned, which means that higher pay brings a higher pension. There appears to be no good reason for this discrimination between the two services and, as the higher pay gives more opportunity for savings, the committee recommends that a set monthly pension be provided for each. The committee feels that a pension of \$90.00 per month is a fair pension allowance because it will provide the necessities of life and is also approximately one-half the pay of three-fourths of the personnel of both the police and fire departments.

Pension Limits Are Too Low

The committee believes that the length of service and the age limit should be increased. The firemen and policemen both contend that a fireman cannot efficiently carry a hose, or that a policeman cannot effectively "patrol his beat" because of the giving out of his legs after twenty or twenty-five years of service or when past fifty or fifty-five years of age. The committee discounts this contention in view of the fact that over 10% of the firemen could now retire because of their age and over 12% due to their length of service. They have, however, chosen to work and it is naturally assumed that they are carrying on their work efficiently. The older employees also reach semi-administrative positions, which require less physical exertion.

Equal Contributions Are Needed

The committee feels that the cost of the pension fund should be borne equally by the city and the men. This is considered fair and equitable and especially so in the light of the sickness leave, which under the new plan would be taken care of directly by the city from the salary account. If this cost is divided equally it becomes almost necessary for the employees to work over 20 years in order not to be required to set aside for the fund each month more than they are financially able to do.

The committee feels that the maximum age limit of employment should be 60 years except in certain cases of employees passing a new physical and mental examination. The main thing is that some method be provided for the removal of superannuated men.

Provide For Disability Regardless of Cause

It is believed that the men should be provided for when totally and permanently disabled regardless of the cause of the disability. This will increase the efficiency of the service by eliminating those whom administrative officers are unwilling to discharge to possible poverty and will improve the morale of the remaining employees by eliminating the physically infirm who might become pacemakers. This will also help to keep promising men in the service who might otherwise resign. To provide for these men will not be a great drain on the city, as there have been very few men who have come under this classification in the past and men, when permanently and totally disabled, have only a relatively short life expectancy. Due to

this fact the city will probably have a smaller liability than if the men had continued to work and were later retired. This case is different from holders of life insurance policies with disability clauses in their contracts for such policy holders not only receive payments during their disability and also their beneficiaries receive the full face of the policy upon death.

Curtail Payments To Dependents

A large part of the drain on the present pension funds has been to take care of dependents. The payments to dependents should be greatly curtailed, but the committee feels that they should not be entirely eliminated, as firemen and policemen are in essentially hazardous occupations and hence the widows and children of firemen or policemen killed in line of duty should be provided for.

We believe that fifteen days sickness leave during any one year should take care of the average case and that this should be paid from the payroll account, because it seems fair and that is the plan followed by most corporations. It appears not to be an inherent part of a pension system.

Change of System Requires Detailed Study

There are several problems to be worked out in transferring from the present system to a new one. One of these is to provide equitably for the firemen who have for years paid into the fund in the belief that they would some day retire at half pay and also to provide equitably for those who are now retired on half pay. Perhaps the city morally, if not legally, has entered into a contract with retired firemen pensioners to pay half salaries for the remainder of their lives. Perhaps firemen about to retire should contribute a lessened percentage of the amount necessary to purchase 50% of their pension annuities, as was done in the changing of the teachers' pension system. This is a problem which the committee has not attempted to answer and feels must be solved by whoever works out the details of the new plan.

Boards Administer Funds Strictly

The firemen's and policemen's pension funds are at present administered by boards composed largely of firemen or policemen. The committee had the preconceived idea that such boards of administrators would be over-liberal with their fellow employees' applications. Such apparently is not the case. The policemen and firemen members of the boards have been more strict and rigorous in their interpretations of the rules and regulations than the non-department members.

Similarly the City Auditor is qualified and equipped to handle the record keeping and auditing needs of the boards. Necessarily with the inauguration of a new pension system some changes in bookkeeping will be required, but the Auditor's Office can well handle it with probably little more expense than at present.

Change of Administration Is Unnecessary

The City Treasurer, already bonded and with a full knowledge of the security issues of the City of Portland and Multnomah County, to which the funds are at present limited in their investments, appears to be a desirable member of the boards and a natural custodian of their

funds. The committee therefore feels that a change in the administrative "set-up" is not necessary or even desirable.

The committee has found the present funds headed for insolvency and has endeavored to point out some general changes which can be used as a basis of improving the present condition of the funds, keeping always in mind that the plan must be kept sound and within the capacity to pay of both the firemen and the city.

RECOMMENDATIONS

1. A pension of \$90.00 per month shall be provided for a fireman or policeman who has had 30 years of service and has also become 60 years of age. This will cost about \$18.00 per month and the man and the city should each pay one-half.

2. If a fireman or policeman leaves the service voluntarily or is removed by official authority before he becomes eligible for a pension he shall be repaid the amount he has paid into the Retirement Fund with interest.

3. A fireman or policeman who has suffered total and permanent disability, whether from sickness or accident, not in line of duty, shall, after a waiting period of three months receive a monthly benefit for life of \$90.00 per month, but the benefit may be decreased or withdrawn if it later is found that the disability is not total and permanent. A fireman or policeman who has suffered total and permanent disability by accident in line of duty shall receive \$90.00 per month beginning at the time of the accident. The money which each fireman or policeman has to his credit in the pension fund shall be augmented by a sufficient sum contributed by the city to provide an income of \$90.00 per month for life.

4. If a fireman or policeman is killed in line of duty, his widow during her widowhood or his children up to the age of 16, shall receive \$90.00 per month. The money which each fireman or policeman has to his credit in the pension fund shall be augmented by a sufficient sum contributed by the city, to provide his widow or children with an income of \$90.00 per month. In case of death of a fireman or policeman by causes not in line of duty, his estate shall receive the amount he has paid into the pension fund with interest.

5. A fireman or policeman shall receive not to exceed 15 days sickness leave during any one year, with full pay from the payroll account.

6. A further study should be made to work out the details and adjustments involved in transferring from the present system to the proposed one. In order to properly conserve the funds, this should be started at once.

Respectfully submitted,

WM. L. BREWSTER,
R. R. BULLIVANT,
FREDERICK W. DOZIER,
WM. G. DUNLAP,
I. E. HERVIN,
MYLES O'BLISK,
PAUL C. NEWMAN,
GUY E. JAKUES, *Chairman*.

Approved by John W. Shuler, chairman of the Government Organization and Public Finance Section.

Accepted by the Board of Governors and ordered printed and submitted to the membership for consideration and action on December 16, 1932.