

can be brought to bear within the total time the contract is completed. We do that every year when the time comes to renegotiate.

Mr. WINN. Mr. Chairman.

The CHAIRMAN. Yes, Mr. Winn.

Mr. WINN. May I ask a question for my own information? Changing the subject a little bit, are these contractors still paying—at least, I have always been of the opinion that they have been paying premium wages for their type of labor—premium, meaning much higher than in most other places in the country. Am I wrong in that?

Mr. SIEPERT. I do not believe that is the correct perception of the support contractors we have been discussing. You may be referring to two other kinds of situations. One in particular got publicity several years ago. That was the wages earned by construction workers of the building trades who were engaged in modifying and building launch pads; things like unusual portal-to-portal pay and premium wages for hazardous work and the like. This was looked into quite carefully by Senator McClellan's committee. That type of craft labor is not involved in these supporting service contracts.

Another possibility to which you may be referring is that a number of the aerospace manufacturers, when they brought their flight hardware down here to be tested and flown, came with the idea that they were actually not going to be a permanent part of the Cape community. They paid a sort of isolated-duty-station premium that is sometimes called swamp pay. Some still do. In all of our contracts with those stage contractors we are attempting to get such pay eliminated, because we now know the people who come here do stay and make their homes.

Mr. LOHSE, are there any that still have that? Which ones?

Mr. LOHSE. Boeing and Douglas still have it.

Mr. SIEPERT. None of our support contracts.

Mr. WINN. Is this so-called swamp pay union pressure on these men?

Mr. LOHSE. It is pay to both groups. It is about 50 cents an hour in the union categories, and some of the stage contractors are nonunion, and it's about ninety to a hundred dollars a month in the managerial levels. It's a joint problem which NASA has with DOD and this is currently being explored at the headquarters level.

Mr. WINN. How can we get rid of it?

Mr. LOHSE. DOD and NASA are trying to bring pressure down on the corporate managements involved. This is no longer an isolated area. In some instances, they brought enough pressure to correct it. Lockheed, on the other hand, just incorporated a \$0.40 to \$0.50 per hour increase in their basic rate structure and labeled it a "test base" rate. They did drop swamp pay for salaried employees. There is no easy solution to it.

Mr. WINN. It would seem to me that after 3 or 4 years of operation some of those costs could be renegotiated or just plain thrown out, and that this thing should have leveled off as the rest of your charts show.

We keep talking about economies, and I think this committee wants to start seeing in this operation and Government operations, too, some type of economy.