

to a service contractor with low wage standards, the Government is in effect subsidizing subminimum wages.

PROVISIONS OF BILL

The bill is applicable to advertised or negotiated contracts, in excess of \$2,500, the principal purpose of which is for the furnishing of services through the use of service employees, as defined in the bill. Thus, for example, contracts made by the District of Columbia

The bill also recognizes the growing importance of fringe benefits as an element of wages in today's society. It therefore requires inclusion in the contract of an agreement to provide service employees benefits determined by the Secretary to be prevailing for such employees in the locality. This obligation may be discharged by furnishing any equivalent combinations of benefits or cash payments in accordance with regulations of the Secretary.

The bill also prohibits the payment on any Government service contract of wages less than the minimum wages required under the Fair Labor Standards Act.

In addition to the wage and fringe benefits requirements of the bill, additional stipulations require that service or maintenance work shall not be performed under unsafe or unsanitary working conditions where those working conditions are under the control of the contractor or subcontractor. Contractors or subcontractors are also required to notify employees of the benefits due them under the act.

In the event of violation, the bill authorizes the withholding from the contractor of accrued payments necessary to pay covered workers the difference between the wages and benefits required by the contract and those actually paid. The Government may also bring court action against the contractor, subcontractor, or surety to recover the The Secretary's authority to prescribe regulations includes authority to permit reasonable tolerances, variations, and exemptions from provisions of the act where they are deemed necessary and proper in the public interest or to avoid serious impairment of Government business.

The committee, however, does not expect the Secretary of Labor to be bound by past practices worked out for determinations under the