

Often they are not members of unions and have little prospect of bettering their condition through collective bargaining.

Comprehensive wage rate information which may be identified with Government service contracts is not available. Through Bureau of Labor Statistics surveys of average earnings in selected areas, we do gain some insight into the extremely depressed level of wages paid by some service contractors.

In contract cleaning services in 1961, less than \$1.05 an hour was paid to production workers in many areas. In Atlanta, 74 percent of all production workers received less than this amount; in Dallas, the proportion was 65 percent; and in Baltimore, 45 percent.

In Atlanta in 1963, average earnings of employees in laundry and cleaning services were \$0.94 an hour; in Memphis \$0.83 an hour; in Baltimore \$1.17 an hour.

Elevator operators in 1962 averaged \$0.89 an hour in Atlanta; \$0.79 in Memphis; \$0.94 in Miami; and \$1.17 in Baltimore.

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The principle basic to the Service Contract Act is neither novel nor unique. Its rationale is simply that funds of the Federal Government shall not be used to finance contracts which undercut and depress the wage rate prevailing in a locality or upon which undesirable working conditions obtain. The Government now insists in prevailing wage standards in construction and supply contracts. Service employees hired directly by the Government are required by Presidential directive to be paid no less than the Fair Labor Standards Act minimum.

H.R. 10238 would require the inclusion of labor standards obligations as a condition of contract award. Service employees at work on service contracts in excess of \$2,500 would be furnished not less than the wages and fringe benefits determined by the Secretary of Labor to be prevailing in the locality. In addition, the bill would provide that all employees of Federal service contractors be paid no less than the minimum set forth in the Fair Labor Standards Act. Employers must furnish safe and sanitary working conditions where such condition are under their control.

The Department of Labor is given primary responsibility for the administration of the act. Determinations of the required wages and fringe benefits are to be made by the Department as are regulations governing enforcement. In carrying out our responsibilities under the bill, it would be our intention to exert cannot effectively inspire responsible policies by labor and management if its procurement policies tend to promote in any way the practices which it proscribes.

The Federal Government should be a pace setter in labor standards. This bill would enable it to fulfill this responsibility more adequately. I therefore urge your favorable consideration of this meritorious bill.

Mr. DONAHUE. Then, with your permission I would like to proceed in my own way to outline the four corners of this bill, which is, as you said, H.R. 10238, introduced by the chairman, on August 3, 1965.

There are many who think that this is a new or a novel proposal. Not included among that number is the chairman of this subcommittee.