for opposing this measure. I will explain them in the course of my testimony.

First I would like to point out that the Associated General Contractors, the Association of State Highway Officials, and the Bureau of Public Roads opposed the extension of Davis-Bacon requirements to the interstate highway program in 1956. It was made clear in testimony and debate at that time that the extension af Davis-Bacon to that program, which was based largely on the argument that 90 percent of the funds would be Federal, would not lead to a later extension of Davis-Bacon requirements to the ABC highway system which, of course, involves only 50 percent Federal funds. Now we see that we were deluded by the observations that were made on that occasion and we now face pressure from organized labor for the extension of Davis-Bacon to the A–B–C system.

It should also be noted that the A–B–C system was initiated in 1916 and has provided a fine record of secondary road construction efficiently over a 52-year period without any application of the Davis-Bacon prevailing wage laws or the 8-hour overtime laws. I think you will agree that it is somewhat curious that suddenly after this 52-year record that the unions suddenly decide that it must have these laws extended to the A–B–C program.

The Associated General Contractors has firm policy opposing further extensions of the Davis-Bacon prevailing wage laws, based on many years of experience and observations as to the undesirability of such extensions. We feel the 52 years of productive A–B–C highway construction without these Federal administrative handicaps is a sufficient reason, in itself, to drop this proposal as unwarranted and unnec-

We have many reasons, however, for opposing the extension of Davis-Bacon and the 8-hour laws to the A–B–C system. In the first place it is obvious to us and should be to the subcommittee that such a proposal is grossly out of step with the needs of the times. The trends, of course, are inflationary, with the inflationary heat rising rapidly. Construction, of course, gets the full brunt of inflationary trends at the bargaining table, by way of chronic labor shortages generally, increasing strikes for higher wages, and tremendous pressure for more and more increases.

Lest the subcommittee think we are exaggerating the trends of the times I would like to submit several enlightening documents on this point. These include a staff report to the AGC labor conference of May 20 and 21 documenting the experiences at the bargaining table at the present time which, of course, include a Bureau of Labor Statistics tabulation of construction wages compiled currently which shows an overage hourly rate of \$5.37 an hour, which, incidentally, includes common laborers whose average is now \$4.16 an hour. I would also like to include a sheet from the monthly labor review of May 1968 reflecting a more comprehensive study than the \$5.37 an hour survey noted above. The monthly labor review sheet reports an average hourly rate of \$2.67 for all employment surveyed in 1967. The same study includes an average hourly rate of \$3.55 for highway and street construction and \$2.83 an hour for manufacturing employment. With construction wages ranking among the top scales, even making allowances for seasonality, and with construction labor making the greatest gains each year in their wage levels, it certainly seems to us that these