

facts demonstrate beyond a doubt that the Davis-Bacon extension is out of step with the needs of the times. It doesn't seem that construction unions need any more protection than they now enjoy. It is the public and the taxpayer who need the protection and adding Davis-Bacon to the A-B-C system provides no protection for the public whatsoever.

DAVIS-BACON PREVENTS EMPLOYMENT OF HARD-CORE UNEMPLOYED

We also believe Davis-Bacon extension is not only out of step but contrary to the needs of the times, which is to develop additional construction manpower particularly from the hard-core unemployed. I think this subcommittee should take an interest in the fact that the Davis-Bacon Division is currently providing a serious roadblock to the maximum employment of hard-core unemployed in the construction industry by refusing to allow contractors to begin hard-core employees as trainees at somewhat less than the normal scales for fully trained construction workers. I would like to submit a Labor Department letter to the subcommittee which documents this point and shows that contractors are not permitted to employ trainees from the hard-core unemployed except under generally impractical conditions, namely that organized labor first approve such activity. As a result the Davis-Bacon laws are manipulated in such a way as to give organized construction labor a veto power on the maximum employment of hard-core employees on Federal and Federal-aid construction. This roadblock, of course, does not exist at the present time on the A-B-C highway system but as soon as the Davis-Bacon and 8-hour requirements are extended to the A-B-C system this roadblock would, of course, be instantly applied.

Since it is our observation that Davis-Bacon extension to the A-B-C system is unnecessary we make further observation that such an extension would result in an unwarranted increase in labor costs, and unwarranted increase in expensive administrative procedures, and an unwarranted interference with normal collective bargaining procedures and an unwarranted interference with the normal construction wage patterns in local areas and with normal operations of state government procedures with respect to their own prevailing wage requirements.

LABOR COSTS

Davis-Bacon extension would clearly increase labor costs beyond any reasonable amounts based on our thorough experience with Davis-Bacon administration in the past. This, of course, would mean fewer farm-to-market roads for the farmer and the rural areas for given amounts of State and Federal appropriations and, of course, it would mean higher taxes upon the farmers without justification as well as upon the general public. The higher labor costs would result almost automatically from the new extension of the Work-Hours Act to the A-B-C system which application is automatic whenever Davis-Bacon requirements applies. The 8-hour law would require time and a half the regular rate paid for work on the A-B-C system over 8 hours a day. Now an 8-hour day is not feasible in the highway construction industry, because of the necessity for constantly doing makeup work due to incle-