

Labor for highway construction, you will note that the wages range from the Federal minimum of 1.60 per hour for unskilled laborers to around \$3.00 per hour for skilled classifications. These wages barely provide an income that meets the so-called "poverty" standards.

A report from the Department of Labor's Bureau of Labor Statistics indicates that contract construction workers earn less annually than workers employed in several other heavy industries. Below is an excerpt from that report for the year 1964:

<i>Average annual earnings from specified industry</i>	<i>Amount</i>
Contract construction.....	\$6,305
Chemicals and allied products.....	7,375
Petroleum refining and related industries.....	8,078
Primary metals industries.....	7,021
Machinery, except electrical.....	6,869
Motor vehicles and equipment.....	7,386

We feel that Davis-Bacon protection for highway workers on the ABC System is in accord with Congressional intent when Congress passed the original Act in the early 1930's.

The AGC's claim that the Davis-Bacon Act prevents employment of hard-core unemployed is not only wrong but, in fact, maligns the motives of representatives of the Department of Labor who are working with management and labor in more than thirty cities to assist minorities to enter construction occupations. The Davis-Bacon Administrator has approved the use of construction trainees at rates less than the journeyman wages for many areas including Syracuse, New York, Bedford-Stuyvesant, New York, St. Paul, Minnesota and the most recent area, St. Louis, Missouri where 100 hard-core jobless trainees will be upgraded into the construction industry.

Even prior to the present program to utilize unemployed minorities on Federally financed construction projects, the Davis-Bacon Division has recognized, where prevailing, the use of trainee classifications for many years. One example of this is in the State of Nebraska where beginner-operators have been predetermined on all Federally financed highway construction projects in the rural areas of this State. Extension of the Davis-Bacon Act to the ABC System will insure the use of trainees on these projects.

Regarding the AGC's opposition to the extension of the "Work Hours Act" to the ABC Program, these standards of an eight hour day and a forty hour week prevail in the construction industry. Contractors on the great majority of Federally financed construction projects must observe these standards and we feel that highway construction workers on ABC projects should no longer be without this protection.

The AGC mentions increased labor costs on certain Davis-Bacon construction projects; the Davis-Bacon Act was passed not to save money but to protect workers from having their established wages eroded by contractors bidding on Federal projects at less than the prevailing wage rate for the type of work involved.

We feel that the AGC's statement, that is highly critical of the Solicitor of Labor, is unjust and unwarranted. It is the experience of this Committee that the Solicitor of Labor and the Administrator of the Davis-Bacon Division go to great lengths to ascertain the correct prevailing wages and practices in any area on any particular type of construction. Prior to making a decision, all interested parties are given ample opportunity to present their views and furnish evidence on wages paid; the Solicitor's office maintains a continuing program to insure that the wages predetermined are, in fact, prevailing in the area of the particular project. These wage decisions are in turn reviewed by the impartial Wage Appeals Board upon petition by an interested party.

The claim that the administration of the Davis-Bacon Act interferes with the normal wage pattern is again false, the Department of Labor is charged with predetermining the prevailing wage rates in any area on the particular type of construction involved.

The Federal Highway Act of 1956 requires the Solicitor to consult with the State Highway Departments and give due regard to the information on prevailing wages provided by the individual State Highway Departments. In practice, there