

STATEMENTS OF HON. JAMES J. REYNOLDS, UNDER SECRETARY OF LABOR; PHILIP ARNOW, DIRECTOR, OFFICE OF POLICY PLANNING AND RESEARCH; AND PHILIP YAHNER, DEPUTY ASSOCIATE SOLICITOR, DEPARTMENT OF LABOR

Mr. REYNOLDS. Thank you, Mr. Chairman, for that very gracious greeting. I am accompanied here this morning by Mr. Philip Arnow, Director of the Office of Policy Planning and Research, seated on my right; and Mr. Philip Yahner, Deputy Associate Solicitor of the Department.

Mr. Chairman, perhaps the best way would be to run through this testimony of mine, if I may. It is fairly brief, and first I would like to express my appreciation for the opportunity to appear before your committee.

Your legislative inquiry parallels the investigations of the executive branch which are presently proceeding, and this opportunity to be with you affords us a chance to tell you something of our progress and to share with you our findings.

As early as back in 1924 a Government report recommended year-round construction and the scheduling of public works for the off-season. The man who submitted the report was a distinguished public servant and successful civil engineer who had firsthand knowledge of operations in the construction industry. His name was Herbert Hoover, and the following paragraph in his report is particularly pertinent to this inquiry:

Bad weather is not the principal cause of seasonal idleness. Customs which became fixed when builders had not yet learned how to cope with adverse weather conditions have not been changed to meet improvements in building materials, the development of new equipment, and innovations in management methods.

Seasonality in construction continues to be one of our most vexing problems relating to the utilization of manpower and industry resources.

In 1967 the President directed us to concentrate our attention and efforts on the remaining sizable groups of the unemployed, and to give special attention to the problems of the seasonally unemployed such as agricultural and construction workers. In the Manpower Report of that year he said, and I quote:

To help these workers, I have asked the Secretary of Labor in cooperation with the Secretary of Agriculture and the Acting Secretary of Commerce to make a detailed survey of seasonal unemployment and underemployment—and to find ways to deal with these problems.

This study should seek methods by which Federal, State, and local governments, through their contracting procedures and other activities, can reduce seasonal lags in employment, especially in the construction industry (Manpower Report of the President, 1967, p. xvi).

Since that time we have been looking into this area, and in a sense my testimony is based on the findings of the study conducted pursuant to the President's directive.

The construction industry, which is primarily composed of contract construction, produces about 10 percent of our gross national product. Yet, it is not a single, simple industry.

It is interesting to note that it is really rather a fragmented indus-