

(d) Other contract provisions relating to wages and fringes shall remain as set forth in the previous agreement.

Any questions of clarification of this Determination which may arise shall be submitted to the undersigned for resolution and disposition.

W. WILLARD WIRTZ,
Secretary of Labor.

RAYMOND F. MALE,
New Jersey Commissioner of Labor and Industry.

Mr. REYNOLDS. Mr. Chairman, it is interesting to note that that brief reference in my testimony to a State where 27 percent of the operating engineers worked more than 2,000 man-hours whereas 22 percent worked less than 1,000 hours was the State of New Jersey where we made this very careful study, hopefully to come out with an imaginative scheme to lighten the burden of seasonality. Unfortunately it did not get off the ground at that time. That plan contemplated off-season make-work of nonprofit nature, parks and communities, playgrounds. It called for the training of unemployed workers with allowances and the funds were to be provided by a per hour tax for every hour worked to be placed into the fund. But it did not get off the ground because it was in conflict with other demands of the union at that time for very substantial economic benefits; so that it fell apart. That is one of the problems, of course, that we have in this industry.

Mr. O'HARA. Well, I think that it certainly is clear as you pointed out in your testimony that the seasonal nature of the industry is a factor in labor negotiations and in determining wage rates. I have often heard outraged comment about the hourly rates of people in the construction industry but I have also heard the defense to that which is that unless you make that much an hour your annual income is not going to be adequate because such long periods of unemployment are typical of the industry.

Mr. REYNOLDS. That is right, plus the vicissitudes of weather when the job is open so that there can be a very good case made on behalf of the building trades that they have to get these rates to provide their workers who are the most skilled workers in the country with an adequate annual wage.

Mr. O'HARA. I have heard the case made with some force.

Mr. REYNOLDS. I am sure you have.

Mr. O'HARA. I think once that pattern gets established as your experience in New Jersey suggests it is hard for them to then go back to their membership and say, "Look, we are not getting a wage increase this year. Instead we are going to get year-round employment." I think that after the workers become habituated to the idea of a high rate and periods of layoff then it is a little more difficult to rationalize the whole thing once the pattern is established. I know some of them develop patterns of family life that are built around this fact that they are unemployed for part of the year and they are then reluctant, or at least everyone is opposed to change and they are a little leery about changing the system.

Thank you very much, Mr. Secretary.

Mr. REYNOLDS. You are very welcome.

Thank you, Mr. Chairman.

Mr. O'HARA. Our next witness will be Mr. Robert B. Foster, Jr., who is Deputy Commissioner, Public Buildings Service, General Services Administration. Mr. Foster, as perhaps the largest builder