

Thank you very much, gentlemen.

Mr. REED. We might add just hastily, Mr. Chairman, and Mr. Meeds, that there are some contingencies in the cost field here that the construction industry is not absorbing today but it is a factor you must consider in analyzing our program here as submitted and this is a desire especially among the younger people for supplementary unemployment insurance.

Now this hasn't been fully developed in the construction industry but you can see that the seeds have been planted, generally speaking, all over the country and it has arrived in agreement form in some areas, the need for that.

Mr. Sheets told me that we now have six areas covered by supplementary unemployment insurance and of course like all young people starting out in our business, with the high wages in the summer they overextend themselves and the banks don't hibernate in the winter-time and those payments must arrive timely at the bank and we find ourselves contributing to our spiral of increased living costs and the unemployment insurance program does not meet their full demand, full needs during the winter months. So this is a growing demand and will be a tremendous cost factor to the industry.

I think it can be slowed down and perhaps even prevented if we can assume that we can make headway in arriving at a more continuous work program for those forces in our industry.

Another cost factor, as you know, is that we have some exciting training programs and we find that we lose a great number of our young trainees in this manner.

Contrary to the old philosophy that people like time off, we build a plant and many of our young fellows go to work in the plant, become production workers not by desire but by necessity. They check with the union hall, find that the employment opportunities are diminishing and the unemployment ranks are increasing and so, to maintain their stability of living which they have obligated themselves to, they leave the industry.

Our last increase of affiliation to the AFL-CIO was 50,000. During that same year we organized or readmitted over 400,000 people. We do have a retention rate of less than 11 percent. This is a cost factor again to the industry because you have to train people to become accustomed to the manner in which you work on construction sites in a safe and orderly manner and yet on a productive basis and this is a direct cost to the contractor, to the consumer and also to the Government on training and retaining individuals.

As to the comments by President Murphy concerning our component parts of the masonry industry, we expect great things from this in developing new materials following on his remark about the delicacy of handling new materials. We know that this can be done. We have done it in the concrete industry, with the retarders and accelerators depending on the weather conditions, and I am sure we will develop it to a greater degree in the masonry industry, which is somewhat different from the concrete industry.

We have seen this on the highway program. In the asphalt industry our agreements in the Northwest used to be written so that on show-up time the one individual that determined whether a man received show-up time was the inspector. He would leave his home and the sun would