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A PRESENTATION FROM REPRESENTATIVES OF THE
BUILDING AND CONSTRUCTION TRADES
DEPARTMENT OF THE AFL-CIO

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HEARING
BEFORE THE
COMMITTEE ON PUBLIC WORKS
UNITED STATES SENATE
NINETY-FOURTH CONGRESS

SECOND SESSION
ON
UNEMPLOYMENT PROBLEMS IN THE CONSTRUCTION INDUSTRY

APRIL 6, 1976

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CONTENTS

OPENING STATEMENTS

	Page
Bentsen, Hon. Lloyd, U.S. Senator from the State of Texas-----	7
Domenici, Hon. Pete V., U.S. Senator from the State of New Mexico----	2
Hart, Hon. Gary, U.S. Senator from the State of Colorado-----	2
Randolph, Hon. Jennings, U.S. Senator from the State of West Virginia--	1

LIST OF WITNESSES

Berry, Don-----	13
DiJames, Pascal-----	8
Duggins, C. L.-----	12
Pillard, Charles H., international president, International Brotherhood of Electrical Workers, accompanied by Pascal DiJames, general president, International Association of Marble, Slate & Stone Polishers, Tile Helpers & Finishers, Marble Setters Helpers, Marble Mosaic & Terrazzo Workers Helpers; and M. J. Boyle, electrician-----	3

A PRESENTATION FROM REPRESENTATIVES OF THE BUILDING AND CONSTRUCTION TRADES DEPARTMENT OF THE AFL-CIO

TUESDAY, APRIL 6, 1976

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The committee met at 9:25 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. Jennings Randolph (chairman of the committee) presiding.

Present: Senators Randolph, Gravel, Bentsen, Hart, Stafford, and Domenici.

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Good morning, ladies and gentlemen.

There are 31½ million more women of voting age than there are men of voting age in this country. Did you men know that?

"Sorry to hear it," he says.

We are beginning some 7 minutes late. The reason for that is that in my case, I have been meeting with the West Virginians who are here. We had a breakfast this morning at 8 o'clock with the building trade unions of our State.

I am certain that Senator Gary Hart from Colorado, who sits on my left, and Senator Pete Domenici of New Mexico, who sits on my right, will agree that we are here, not as Democrats or Republicans, but as members of the Senate Public Works Committee. We greet you. We are appreciative of the opportunity to have you counsel with us.

Sometimes it is more important for you to tell us what you believe we ought to hear than for us to attempt to tell you what we want you to hear.

We wanted the record to indicate that. I would like, at this time, to bring you the greetings of Senator Baker. He telephoned to tell me that he is at home with the flu and that the doctor urged that he stay there today. Senator Baker is the ranking Republican member of the Senate Public Works Committee.

The committee is composed of 14 members. We are a very active committee with jurisdiction in many areas. We are intensely interested in hearing from you because you bring us information relative to the employment situation in the construction industry.

We have with us today Mr. Charles Pillard, Mr. Pascal DiJames, and Mr. Mel Boyle of the Building and Construction Trades Department of the AFL-CIO.

The Public Works Employment Act of 1976 will come to the Senate for discussion and determination in the next few days. This is legislation that we believe is designed specifically to help lessen the impact of unemployment by stimulating new jobs in the construction industry. The most recent reports to date indicate that more than 15 percent of the construction workers in the United States are without gainful employment.

This is more than twice the unemployment situation in the country as a whole. It is a matter of concern. We have worked in the past and we will continue to work in the future to alleviate this situation.

There has been a slight decline in unemployment. It is welcome, of course, but it is a very small change. In fact, not very noticeable. We welcome your counseling with us since you have the firsthand facts. Members of this committee are aware of the ability of the construction industry to do its job.

We have worked with you many times in the past in attempting to formulate measures that could be enacted into law. We need to have the construction workers employed as quickly as possible. Not only for the impact on the unemployment situation in our country, but also to complete projects that are of lasting benefit. With some 7 million persons unemployed, we want to have realistic and workable programs coming from this committee.

Gary, do you have a comment?

OPENING STATEMENT OF HON. GARY HART, U.S. SENATOR FROM THE STATE OF COLORADO

Senator HART. I join you, Mr. Chairman, in expressing your concern about the employment situation in this country. I think there is a tendency in the Federal Government that anytime employment goes up a point or a half point, to claim victory over unemployment. I have never, not being an economist, understood the talk about 4 or 5 percent of the able-bodied people in this country being unemployed and that being a full-employment economy.

I am afraid we are getting in a situation in this country with the recent downturn where we are going to declare 6 or 7½ percent unemployment. I don't think any one of us can buy that. I think it is the obligation of the Congress to get every able-bodied person in this country back to work.

Senator RANDOLPH. Thank you, Senator Hart.

The Senator from New Mexico is a newer member of this committee. He has worked diligently, as all members of this committee do, on matters concerning the strengthening of the economy, and full employment.

Senator Domenici?

OPENING STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator DOMENICI. Mr. Chairman, I share your great concern about the unemployment in our Nation; in particular, the unemployment among our construction workers.

This morning I am kind of prompted to thank you people as labor leaders for something that you probably don't get thanked for very

often. That is that I think a lot of Americans assume that labor leaders of our country are not appreciative of the great free enterprise system. I think, frequently, because you are properly advocates for your people and for better money and more jobs for your people, that you are assumed to be on the opposite side of those who think that our system, as contrasted with that system that exists in other countries, the Soviet Union and others, that you are assumed not to be staunch advocates for the American system of free enterprise and competition.

Historically, you have been that. The problem we have today is a difficult one because most of us are trying to get that system working, get it back to where it does offer employment; but the facts remain that your industry remains significantly depressed.

Most of your people, or certainly most of your working men and women, want jobs. You need the Government's help, but you don't want it all the time. You want it when you have a problem. I wish I could report to you that we had an instant solution and that we knew exactly how to cure this and how to get you what you so much want. I don't think we have an instant solution.

I have been trying to work with those who can find the best of the alternatives to help us to produce jobs through public works. I have supported public works regularly on this committee. I hope we can reach some compromises in this Congress with regard to accelerated public works and public works jobs.

I don't know if we can; but I am here, Mr. Chairman, to listen so we can get it directly from those people who, I think, feel as I have just described, who have the very serious problem of a very high unemployment in their particular field of endeavor and chosen work.

Thank you, Mr. Chairman.

Senator RANDOLPH. Thank you, Senator Domenici.

You have spoken directly to the problem that these men face. That is gainful employment for the members of their union and the spirit of competition that strengthens the very fabric of America. This is the system that you understand and work for so well.

I presume, President Pillard, that you are to testify first. Am I correct?

Mr. PILLARD. Yes; you are correct.

Senator RANDOLPH. You may proceed then. We are gratified that you and the members of the union are here today.

STATEMENT OF CHARLES H. PILLARD, INTERNATIONAL PRESIDENT, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, ACCOMPANIED BY PASCAL DI JAMES, GENERAL PRESIDENT, INTERNATIONAL ASSOCIATION OF MARBLE, SLATE AND STONE POLISHERS, TILE HELPERS AND FINISHERS, MARBLE SETTERS HELPERS, MARBLE MOSAIC AND TERRAZZO WORKERS HELPERS; AND M. J. BOYLE, ELECTRICIAN

Mr. PILLARD. Mr. Chairman and members of the Senate Public Works Committee, I first want to offer my sincere appreciation for the opportunity of meeting with you today. I am well aware of your busy schedules, and I thank all of you for taking the time and allowing us the opportunity to talk with you.

My name is Charles H. Pillard, and I am president of the International Brotherhood of Electrical Workers. Yesterday over 3,000 delegates attended the National Jobs Conference, sponsored by the Building and Construction Trades Department of the AFL-CIO—a conference aimed at developing proposals to stabilize the American economy and put this Nation back to work.

A sound economy is the cornerstone of our national, State, and local life, the key to all our other hopes and goals. For too long, however, we have watched the cornerstone crumble and erode.

Year after year, we have suffered the crippling twin conditions of rising prices and rising unemployment, matched by failing policies and failing programs, as the Nixon-Ford administrations have lurched back and forth in a futile search for the quick fix or hasty cure that is never found and probably never can be found. But I am not convinced that this must be the way.

We can and must put America back to work. We can end the tragedy of unemployment for millions of our people. We can restore the people's confidence and develop a more effective economic policy to deal with both short- and long-term problems. We can do all the other things we have to do in areas like health, education, crime control, housing and cities, transportation and the environment.

There is no cause for serious pessimism about our country's future as long as we work together for restoration of effective leadership and commitment, a restoration of vision and imagination about our problems, and a restoration of trust and confidence and respect between the people and a Government that truly cares about the problems of working men and women.

One means for immediately turning this country around is public works projects. The need for public works funding is apparent. Expenditures for public works are the humane answer to unemployment. Unemployment compensation does not remove the indignity of idleness and the shame of welfare. Unemployment compensation is a stopgap measure and an unacceptable solution to our ultimate need for more jobs.

These expenditures are also the productive answer to unemployment. Skilled workers will be able to use their talents for the good of society; young workers will gain those skills necessary to make future contributions to their communities; added purchasing power, increased tax revenues, and reduced welfare payments will result. Long after the current recession is over, communities will still derive benefits from projects built with these funds.

Many communities are in desperate need of either a library, new school, hospital, or recreational area, just to name a few; but the combined effects of recession and inflation have forced many of them to cut back on these projects.

In a recent survey of 12 U.S. cities, the Building and Construction Trades Department determined that over \$2.1 billion of public works projects stood ready to go, lacking only financing. All of the projects could be started up within 6 months and the bulk of them were ready to enter the construction stage within 90 days.

When one considers the fact that this \$2.1 billion price tag is only for 12 cities, it is clear that this country is falling far behind in pro-

viding necessary public facilities. The economic worth of public works projects and their antirecessionary effectiveness are well documented.

The big mystery is the Federal Government's unwillingness to use a ready tool to stabilize the construction industry and target certain high unemployment areas. In the past 40 years, only three public works programs have been employed as countercyclical devices.

The most critical problem facing an effective public works project is financing. The stagflation which has gripped our economy for the past 2 years has also held many local governments in a virtual stranglehold. The combination of inflation-affected expenditures and a reduced income of revenues caused by the recession will make it very difficult for many State and local governments to survive through the upcoming year without tax increases, employee layoffs, and cutbacks in levels of service.

In the midst of this crisis, public works projects have been dramatically scaled back. Many cities today are staying afloat by canceling or delaying capital improvements. The volume of new contracts let by States and municipalities dropped by nearly \$3 billion from 1974's level. Many plans for debit financing have either been abandoned or unsuccessful. Historically, such financing is used for public works facilities.

All of this adds up to a growing demand for a renewed effort to revitalize our economy. More specifically, if we are to promote community development, further assist privately owned industry, reduce chronic and short-term unemployment and lay the foundations for a prosperous economy, this country must secure for itself a healthy public works program.

The Building and Construction Trades Department, therefore, urges that an emergency public works program be enacted to aid financially strapped State and local governments on new or uncompleted projects that can be made active within 90 days of enactment; that a permanent Federal interagency task force be established to better coordinate, schedule, and plan public works projects.

Poor scheduling has contributed to higher seasonality in the industry. Poor planning has resulted in higher costs and slow-moving programs. We also urge that Congress address the long-term financial need for public works facilities by enactment of a long-term public works capital financing plan, which would emphasize countercyclical financing to eliminate the recessionary effects of public work fluctuations.

Mr. Chairman, today, because I know that the Building Trades Department has sent so many statistical releases and up-to-date data up on the Hill, explaining the effects of this job conference which we brought into Washington, I have with me today, a small delegation of representatives from States across our great Nation. Their statistics are out of this world.

If I could leave with you the thought that building tradesmen, and this is their jobs conference, are the people who want jobs, they are the builders of our great Nation. This business of Government statistics—of course, I think, like all of us, when you have been stationed in Washington and lived here for a number of years, you become very cynical as to the belief of what is released about how many people actually are out of work.

These people can tell you—if you care to ask questions—these people can tell you that in many of our cities and in many of our communities, we have building trade councils that have probably anywhere from 50 to 90 percent of their people not working today.

I ask you, when I say that, to look at the time of the year. We are into April. In the construction trade, when you move into April of a year without anything ahead and without jobs that are coming out of the ground, there is no way that these people can recover what they have lost in the past. It is unbelievable to me when you look at the people who want to work.

The answer to their problems is not food stamps. The answer to their problems is not unemployment insurance. The building trades do not have to come up on the Hill in a way to say where they stand in this great country of ours. They have always been the forefront to promote the welfare of all the working people. They are the people who want to pay taxes. They are the people who want to build.

In spite of their hardships today, they are constantly being asked in their communities to donate their services for good of their communities.

I appeared before you people here last year Senator Randolph, you and your committee were more than kind. When I am talking to the committee, I am not generally talking to your record because they speak for themselves. This committee has been behind promoting a public works project, that not only will the construction industry derive benefits, but so will the whole country, the whole community will have a lasting effect from the monument that public works leave there. They will put other people to work.

For the life of me, I can't understand, in spite of everything we do, why we can't get a bill through that will put people to work. I am not talking in 1977. I am talking in 1976. And we are already into April of this year. I hate to be pessimistic about it, but I cannot see a good year for the construction industry.

I am one of the old believers that you should get this construction industry back on its feet with a good housing program. The majority of our people want jobs—they still have that belief. They want to own their own homes. They want to pay taxes. They want to be independent and preserve their pride that they have a right to.

We are going to have to, in some way, with your help on this committee, get that message through, not only in Congress but when we can get it through the President of the United States will sign the bill. This business of always playing games with it is something that we can't understand. I know that many of the members of this committee feel the same way about this.

If there is any time left after Pat DiJames gives his message, and leaves his testimony here, I would be most appreciative if some of these people, if you have the time, be allowed to tell in their own words exactly what the situation is back home.

Again, before I close, I want to impress upon you, if I may, when the construction industry again moves into an accelerated pace while trying to turn this economy around, there are so many feeder industries and so many other feeder things that are fed into it, that the whole community is affected and there is a swing on the upturn.

I thank you, very much, for giving me this time.

Senator RANDOLPH. Thank you, President Pillard.

We are grateful for the presence of another member of our committee, Senator Lloyd Bentsen of Texas. I have heard Lloyd say so very often that our debt as a Nation would be decreased if people were on gainful employment. I think that is what you are saying, in essence, here today, that it is an unemployed country that has a high debt problem.

We all have our differences. These are understandable; but I happen to believe in less money being spent abroad and more money being spent at home. That is why I vote against the foreign aid programs. Yet, I am not contesting my votes with others who might vote otherwise.

You speak of these unemployment figures. For instance, I was in Arizona a few days ago at Tucson. There is approximately 30 percent unemployment in the construction industry.

In Los Angeles, about 22 percent of the unemployed is the construction worker. In Rochester, N.Y., to move to another section of the country, the figure is said to be 49 percent at the present time. To come home where I do know what the figures are, that is Charleston, W. Va., it is 47 percent unemployed in the construction industry.

Lloyd, would you care to add anything at this time?

**OPENING STATEMENT OF HON. LLOYD BENTSEN, U.S. SENATOR
FROM THE STATE OF TEXAS**

Senator BENTSEN. Thank you, Mr. Chairman.

I see a number of my friends out there in that audience. I would agree very strongly with the statement by President Pillard that what the American people are looking for is not a handout. They are looking for opportunity. They are looking for jobs. They are ready to put out for a job.

For generations, we have had people come to these shores because they sought opportunity and they wanted to live better than their parents. They sure wanted to live better than their grandparents. They were able to do it in an expanding and growing economy.

My family came to this country from Denmark about the turn of the century, settled on the plains of South Dakota. The first home they had, they dug out of the ground in sod walls. It was tough, but they had a country that was growing and building. They were brought here by the excitement of that country.

A chance up for a step up for everyone, that is what we have to keep alive. We do have investments in this country we have to make, be it sewage or libraries, things that people need and want and will enjoy for many years to come. I was in Buffalo, N.Y., looking at swimming pools that have been built during the WPA days, still being used, enjoyed by the people, which probably wouldn't have been if we hadn't had something where we had a President with courage who wanted people to go back to work again.

The chairman here says he voted against foreign aid. So did I, not because I don't think we need some foreign aid. I think we do, but I think it is incredible that we have a very major increase in foreign aid for other countries at a time that we are having so many problems at home putting our own people to work, where we could be spending

it to the benefit of our people here. I am very sympathetic to what you stated this morning.

Thank you very much, Mr. Chairman.

Senator RANDOLPH. Thank you very much, Lloyd. Mr. Pillard, if I may interrupt the testimony for just a moment, I remember in 1962 when we brought from this committee the accelerated public works program, the unemployment figure at that time was seven and one-tenth. I remember that well. We have a higher unemployment figure at this time than we did then.

We felt, then, that it was very important to have an accelerated public works program. It passed the Congress; it became law. We didn't just spend, we invested about \$842 million in that effort. Think of it. Senator Bentsen has mentioned projects that are still in being today that were public works projects. They are all over the country—roads, streets, buildings, and schools.

I want to remind us here today that in that one program, there were 7,700 projects that came into being in the United States. When people talk against public works, they really don't know the strength of a public works program, not only for employment for construction workers but for the lasting benefits to the Nation from those projects.

I apologize if I've become a little overearnest, but I feel very strongly about the matter of a nation at work. We don't just throw money to the wind when we have public works programs. Those dollars are invested in lasting benefits and gainful employment. We have a dividend on every dollar that is spent—a dividend in a better America and a stronger economy.

Mr. DiJames, did you wish to speak now?

STATEMENT OF PASCAL DiJAMES

Mr. DiJAMES. Thank you, Mr. Chairman. I, too, would like to thank you and the members of the committee for giving me the opportunity to talk to you today.

My name is Pascal DiJames. I am here to talk to you people on reform of our transportation policy which must be high on the agenda of our national needs. There certainly can be no argument about that.

This is basic to energy conservation. It is fundamental to the rehabilitation of our cities. On it depends the future economic growth of the Nation. The disagreements occur over the best means and the best time to meet the obvious problems.

I am not going to take a long time in giving this sort of introduction to our consideration of transportation, but I do wish to touch upon a few important points.

To a greater extent than ever has been recognized in the past, transportation shapes and regulates both how and where Americans live.

Since the end of World War II, America's transportation effort has been concentrated primarily on highways and automobiles. However, the time has now come to broaden our efforts in the field of transportation policy, to seek a more balanced system. There has been a growing awareness of the need for a revision of our transportation policy; a demand has arisen for a restructuring of policy.

Today, this country is approaching an important turning point in transportation policy; equal attention must at least be given all forms of transportation: rail, air transit, and highways.

A unified policy must be our goal; a goal best served by relying further on the trust fund concept. Already, trust funds have provided for our highways and airport development needs; however, rapid transit and railways require expanded assistance.

Not only must we adopt a multimodal policy, but we must also renew our commitment to each of the various transport modes. With a growing population and an increasingly diversified economy, many sectors of the transportation industry have become overburdened and in bad need of repair or modernization. In certain cases, highways and airports in particular, the safety of passengers is at stake.

The building and construction trades department, therefore, urges:

1. That Congress combine and assign priorities for Federal support purposes to all forms of surface transportation including highways, mass transit, airports, pipelines, inland waterways.

2. That combined trust fund for transportation grants be provided, financed by appropriate user taxes and appropriations, as necessary.

3. That Congress remove the restrictions against contracting out, contained in the Railroad Revitalization and Regulatory Reform Act of 1976, to allow railroads to enjoy the economic benefits of employing contractors on rehabilitation and maintenance work.

4. That Congress strenuously oppose any attempt on the part of the administration to defer or rescind any highway funds. Large sums will be required simply to maintain and modernize our roadways. Other funding is needed to complete the interstate, repair defective bridges, and improve our rural roads.

5. The Federal Highway Administration and the Urban Mass Transit Administration, UMTA, adopt procedures which will eliminate unnecessary procedural delays because of planning or environmental reasons. UMTA, in particular, has purposely delayed grants to numerous cities.

6. That the Federal Highway Administrator interpret all decisions in such a manner as to expedite the commitment and expenditure of highway funds.

7. That Congress increase appropriations for urban public transportation. In 1974, after a thorough review of present needs, a bill was drafted to authorize upwards of \$18 billion over the next 6 years, for urban transportation. Under the threat of a veto, the bill was reduced to \$11.8 billion. Mass transit needs remain many billions of dollars in excess of the amount provided for in this bill. Without increased appropriations, our commitment to public transportation will continue to be unmet.

8. That Congress oppose the deferral or rescission of any funds appropriated to meet the dramatic need for increased mass transit.

9. That Congress extend the Airport and Airway Development Act of 1975, increase its authorization levels, oppose efforts to weaken the antitrust fund, develop an equitable allocation formula for funds, and seek to remove those red tape problems in the grant process.

Mr. Chairman, that concludes my testimony. Reform of the transportation policy of this country would create jobs which, as you all know, the building and construction trades department needs desperately as do all the building tradesmen in this country. We urge that these points be given very serious consideration by your committee.

Senator RANDOLPH. Thank you, Mr. DiJames. We have been doing what you have asked in that splendid statement.

I wonder, Lloyd, would you care to indicate what the conference agreement on the Federal-Aid Highway Act has been and perhaps when it might come to the Senate?

Senator BENTSEN. Yes. We have reached agreement with the House on the highway conference; that piece of legislation calls for the expenditure of approximately \$17.6 billion, over the next 2¼ years. The funds are badly needed. About 35 States are running out of highway funds.

I am very hopeful that we will see that pass, by both bodies, by the end of next week. If we can, I am trying to get it scheduled on the Senate side for Thursday. But we have had good cooperation out of the other body in getting this thing through.

I am optimistic that the President will sign it.

Senator RANDOLPH. Thank you very much, Senator Bentsen.

We would like to acknowledge the presence of Senator Stafford, from Vermont. I knew that he had a very heavy schedule this morning, Senator Stafford is a valiant, longtime member of this committee. Bob, if you want to say anything at this point, we would welcome it. I know the gentlemen out there would be glad to have you speak.

Senator STAFFORD. Thank you, Mr. Chairman. My problem is the same as yours. There are three different subcommittee meetings going on at the same time that we are supposed to be at, and we can only be at one place at a time. I have decided, at the moment, that this is the most important place for me to be, Mr. Chairman.

Senator RANDOLPH. Thank you very much, Senator Stafford.

Are you ready to hear some comment, or do you want the introduction of those persons? I know Senator Domenici would wish to call attention to some thoughts that he has.

Senator DOMENICI. Mr. Chairman, just two general observations. First, I sincerely want to commend you on both presentations. I think you exhibit some tremendous restraint in coming before us and talking the way you have. You have got tremendous burdens; yet both of you are addressing some issues that are very long term and much needed in terms of public works with respect to transportation.

I honestly want to say to you that I think you have accurately summarized the transportation-construction problems of this country. Senator Bentsen, and I, who serve on the Transportation Subcommittee, have said at least many times, that unless we do some overall thinking and get transportation under one committee and decide where this country is going and adequately fund it, we are not going to make any headway.

We just keep fragmenting it and passing a new little bill for this and not dealing with the total, comprehensive transportation needs. I honestly say to you I commend you for the statement. If we do what you say, we are not going to change your employment situation next month or the month after that. But I assure you, we will add a tremendous stability to the public works aspects of transportation.

You people will know where you are for the next 8 or 10 years, instead of what we have had in the past.

Mr. DIJAMES. That is what we need, Senator.

Senator DOMENICI. I think the last suggestion you made, President Pillard, in your statement where you talked about the need for a national policy that crosses agency lines, that would be ready for counter-

cyclical public works in an orderly manner, when it occurs, is an extraordinary statement. If we don't do that, we are going to have a recession every 7 or 8 years with you all needing jobs and with us not being able to know how to trigger it, untrigger it, and having everybody pile other bills on top of ours to get money into this economy. And we will get nothing out of it.

If we knew how to unplug the public works projects that were basically on line, by having a game plan in advance, with regular funding at a certain level, then when we had a recession we could plug in "X" more because it was a part of the plan, and we had it across-the-board at six or eight major public works projects, everything from sewer and water to highways to airports and the like.

We wouldn't have to have extraordinary programs that we can't get passed because we can't analyze their effect 4 years hence; we would already know. I commend you both for the extraordinary analysis. I don't know if it helps with the immediate public works bill that this committee is going to take to the Congress, but I believe the idea is sound.

As you know, we already have a bill we have all supported in committee. It is going to the floor, as our chairman indicated, this week, or at the latest, next week.

Senator BENTSEN. The road bill; that is correct.

Mr. Chairman, if you would excuse me, I have got to be at the Finance Committee to work on the foreign tax measure, to try to bring a little more equity into taxes, to try to—once we get you fellows back to work—extract it in the least painful manner.

Senator RANDOLPH. On that note, you may leave. Thank you.

Lloyd, I'm sure you remember that it was the Senate of the United States—we didn't have to be joined by the House—that brought about the release of \$9 billion that was impounded by the executive department earmarked for the very transportation programs that you speak of.

We have been cognizant of our responsibility. We took the initiative in having the 1976 funds released 1 year ahead of schedule. The early release of those funds enabled projects and employment to continue without interruption.

Mr. Pillard, if you would desire, we could have some others who are here today speak if they wish.

I am going to ask Pete to chair for a moment, while I take a long-distance call from West Virginia.

Mr. PILLARD. Senator, you know you were real encouraging in your remarks. I would just as soon allow any part of our delegations to point out the situations. The thing that was most encouraging today that the members of this committee as they have in the past, are not looking forward to advice from some of these egghead intellectuals, I apologize for that language.

Some of these economists are so great in solving all the problems, except providing jobs for the people who want to work. I think we should just get back to that little philosophy of commonsense once in awhile. I have never seen such a record, and I have been in Washington a long time.

If these people who are in this delegation ever made as many mistakes on their predictions as some of the economists have had over

the past several years, I don't know where we would be. It is encouraging to find people, Senators, who are willing to assume their responsibilities in trying to solve this economy problem and put the people back to work.

Thank you very much.

Senator DOMENICI. Let me say, President Pillard, a number of us have been exposed to economists for the first time this year on various committees. We have got them to the point where they almost make opening statements apologizing for the fact they don't know what they are talking about.

That is really true. They are telling jokes on themselves now, before they even start because by the time they are through, we know they haven't been very good predictors. If one wants to be generous, one might say it is because it has all got so complicated that accurate predictions are impossible; if one wants to be a little harsher, one could say that the tools of their trade just don't apply to the United States anymore.

I think, generally, the latter is accepted. When we go to the floor with the public works bill, which is going to be soon, I think we would like some evidence that we can point to, in the record, as to localities in our country and what the situation is.

We rely on you to give us from your membership the kind of case histories that will express that in their own words, highlight the unemployment situation in this country.

STATEMENT OF C. L. DUGGINS

Mr. DUGGINS. I would like to say a few words, Mr. Chairman. I am C. L. Duggins from local 441, Santa Ana, Calif.

I come from a comparatively small local, 1,500 members. But I would like to give you a little background of what has been going on there for the last 3 years, particularly the last 2 years.

We have an unemployment situation that we have never seen before. Of course, I am a little older than a lot of our members. I came up during the depression. I know what it is. A lot of our younger people don't.

We have 1,500 members. About half of those people are on the roll looking for work somewhere else. Many of them have exhausted their funds and are traveling to other jurisdictions looking for work.

It is the same way every place. We have for the last 2 years, of the people who have remained in the area, run over 300 men on our out-of-work list. Now, this is the people who are there all the time. Those people have to wait from 12 to 15 weeks to even get a call. And when they do get a call, they may work 2 or 3 days.

Fortunately, this last year we negotiated into our agreement a process whereby a man would work a complete 35 hours with only a 7-day week and go on a 4-day week to try to help the people who are unemployed. However, it hasn't helped us the way we had hoped that it would.

This is just one small area, Orange County, Calif., where we have always had a tremendous amount of work, or have had since 1952 or 1953. Our growth has been tremendous, and this committee has always done a pretty good job. They have always tried to get bills through for the working people.

However, this unemployment figure that we get every month and every other month, I don't know where the people up in the administration get them. They don't get them from where I come from, because we are just the electrical workers in Orange County. We have over 1,000 carpenters out of work in this little area and over 1,000 laborers out of work in this little area.

There are two of us that came from our local union to come back and give you people the feeling of our membership. I feel like I would have spent the money unwisely if I hadn't gotten up and expressed myself.

Thank you very much.

Senator RANDOLPH. Thank you very much.

STATEMENT OF DON BERRY

Mr. BERRY. I am Don Berry, business manager of local 103, International Electrical Workers, Boston, Mass.

Mr. Chairman, I am sorry to have to report to your committee that I have 37 percent of my membership unemployed, a membership of about 3,000 members. We for a long while had 25 percent unemployed, and I thought it had bottomed-out, as the phrase that is used now. And it ran for perhaps a year on that basis.

I see within the last 3 or 4 months that that is not the case, that we have a worsening situation. And the kinds of things I hear being discussed this morning from our international president and the response that I hear the committee giving is encouraging.

I just would like to point out that the long-range program certainly is one where I think it would stabilize our industry and help us greatly. But we do need to have that transfusion.

I don't want to sound like a moralist or a preacher, but I deal with these real people, these great Americans that do the building, the wiring, all the aspects of the construction industry.

I will get very parochial for a moment. Those 3,000 people that I meet with almost every day in my life, have contact with them, and then that 37 percent that I have to tell "We have no jobs again today," that have been out of work—and when they hit the unemployment situation, they stay out of work for 11 months and then they work, if they are lucky, 4 months. Then they hit the brakes again.

Their unemployment compensation is gone. They are on welfare. They are on food stamps. These are proud people, proud men that only want one thing, and that is a job.

We are at a point where I am seeing the family units within my local union breaking up. I am not talking about people who have little respect for the family unit. I am talking about men and women who are raising strong good families, who now have their children living with their in-laws, with aunts and uncles, with grandmothers because they cannot afford to feed their families.

And we are seeing that paid for in the price of broken homes, where some of my members, yes, are deserting because they have lost their pride, where wives are abandoning their husbands because they don't know where to turn, where that breadwinner no longer represents the head of the family unit.

Mr. Chairman, I think that is what this is all about. I was just so delighted to hear from some of the committee members who were talk-

ing about putting money, investing money in the United States as opposed to in foreign aid. And I am sympathetic with foreign aid as well. But we have just got to do something if we are going to keep the fiber of this country rolling and going. I know we will somehow.

We have got to do something to put people back to work so we can preserve that family unit, which is the United States.

Thank you, Mr. Chairman.

Senator RANDOLPH. Thank you.

I want to say to you all that I would like to continue this session. However, there is another meeting scheduled in this room. A public works meeting dealing with projects of the Corps of Engineers that we hope to get underway.

We would ask that if there are individuals here who would like to give additional information you may provide that to us. We would like to have that today before you leave.

Senator RANDOLPH. We are gratified that Senator Mike Gravel of Alaska has come into the meeting. That makes six members of the Public Works Committee that have been able to be here at least a part of the time.

Mike, before you begin the hearing of the Water Resources Subcommittee, would you take a minute to tell these representatives of the construction industry how you feel about the need for the programs that we have discussed today?

Senator GRAVEL. Thank you very much, Mr. Chairman.

I know all three of these gentlemen very well. They have made an outstanding contribution to the field of labor. With respect to our programs, we impact very directly through the water resources program to one facet of construction for providing electrical energy. That is something that is very close to our hearts, obviously.

The administration has come down with a fiscal 1977 program that essentially is 2 years old, and which again bars any new starts. I will be introducing legislation, Mr. Chairman, about which I have already spoken briefly to Mr. Domenici, as ranking minority member of my subcommittee. My bill would provide a way by which we can increase the hydro potential of the Nation to provide more electrical generation and find a way of funding it in a different way, since we don't seem to be able to get the money through this administration. We may also have difficulty with subsequent administrations because of the size of the budget deficits we face, so the approach I am proposing is needed for the future as well as for now.

I think we have, with the cooperation of the Corps of Engineers, worked out a plan wherein we would have the programs undertaken by the Federal Government through a normal authorization process not funded in the private sector with the local sponsors setting up authorities for sale of bonds to build the projects.

There is one Alaska area that could directly benefit from such an arrangement. But this would essentially be a national program, and we are told by the corps that we can double and maybe in some cases triple the hydroelectric power potential in the country under this plan without thermonuclear pollution and the other environmental problems that plague us now.

I think this will be something that will be very important to you both in terms of construction jobs and also more precisely in a facet of the industry which impacts directly—

Senator RANDOLPH. I think you are beginning hearings on the—

Senator GRAVEL. This morning we are having hearings on river basins programs. Here again, Mr. Chairman, the administration is coming in with a very atrophied program which I hope that our committee will beef up.

The House Public Works Subcommittee has already adopted totals representing the corps' capability. It is not a partisan view. We have people on both sides of the aisle that hold views both ways.

I don't look upon these projects as boondoggles. I look upon them as capital investments. Until you make these capital investments, you can't have a strong economic society. And this is one of the greatest things that this committee has done, to do away with the partisanship or the boondoggle approach to many of these aspects, and to think in terms of capital investments in our great industrialized society.

I want to thank and commend our chairman, who has been in the forefront of this whole effort.

Thank you very much.

Senator RANDOLPH. Thank you, Mike, for coming in.

Senator DOMENICI. I know we are late, but I want to ask the gentleman from Boston, what is your name, please?

FROM THE FLOOR. He just left the room. His name is Don Berry.

Senator DOMENICI. I wanted to talk to him a minute, because that is a tremendous statement he made.

Senator RANDOLPH. How many children do you have, Pete?

Senator DOMENICI. I have eight. And I don't think I have heard that argument, and we have a tendency to forget about it. I thank him for it.

I submit that anybody who has children these days has a real job raising them when they are employed, much less unemployed. I don't know how I would raise mine if I had to look from month to month for income like some of you do.

I think his statement epitomizes the problem we have in this country. We have got a tremendous job trying to raise young people in a very complicated society. Parenthood is almost impossible anymore. I just want to thank him for reminding me about it. I am going to be a little more worried about the situation, because I don't think we measure the ripple effects of unemployment in any of these models, and I just hadn't been thinking about that.

Senator RANDOLPH. Let's give him a cheer.

Senator DOMENICI. In fact, Mr. Chairman, I wonder if somebody might expand on that one of these days and talk about what it is going to cost this country in the next 15 or 20 years when we try to solve the problems of the broken families and young people he has described.

I don't know how far we could carry the hundreds and millions of social programs and schools that can't cope with them. That might be a rather good economic exercise for somebody. It might be rather impressive.

Senator RANDOLPH. I hope when the Public Works bill comes to the Senate that that will be the thrust of your remarks.

Senator DOMENICI. I think I will plagiarize and steal his remarks.

Thank you, Mr. Chairman.

Mr. PILLARD. Mr. Chairman, before you close, I want to thank your committee. But if I could just touch on what the Senator picked up,

we have jobs that could start within 90 days, loads of work that could start within 6 months on public works. I think Senator Randolph stresses what he said, that you leave a monument.

When Senator Bentsen said something, it brought to my mind—I don't know why he said Buffalo, N.Y.—I can recall the days of going to high school, walking across the quarry where they were working on some of those projects he mentioned. The swimming pools are still in existence that were constructed in WPA days. They are still being used. And they certainly were not a monument for that immediate problem.

It did put people to work. But they are still in use today. And why we can't seem to get some of these things and pick up what you said, hold families together—it is hard to explain. That's why I purposely took some time to let some of these people in the room talk about what is happening in their areas.

In every State across our country the unemployment picture is there. And, Senator, no matter what they tell you with the Government statistics, the economy has not bottomed out. In many areas today it is worse in 1976 than it was in 1975.

I don't want to throw this in today, but I dread what 1977 could be like if there is just a false spurt put in the economy in 1976 due to a Presidential election, and then you go back to a theory of fighting inflation and unemployment the way we have the last few years.

Thank you.

Senator RANDOLPH. Thank you, Mr. Pillard, and thank all of you, ladies and gentlemen.

[Whereupon, at 10:30 a.m., the committee recessed, to reconvene subject to the call of the Chair.]