

November 19, 1942.

Dear Jimmie:

When I was in Utah last September I went over several of the army projects with the army engineer in charge of construction, and he advised me that the contractors and sub-contractors were paying various kinds of subsidies to the workers in order to get them and keep them on the jobs. The enclosed memorandum is an example of how union workers are being paid amounts beyond the prevailing wage. You will recall that I spoke to you about this matter when I was in your office the other day with Mr. Purcell and you requested that I send you this information.

Such compensation to workers, if done extensively over the country, must result not only in a greatly inflated purchasing power on the part of the workers but a greatly inflated cost to the Government, as most Government projects are being constructed on the basis of cost plus a fixed fee.

Sincerely yours,

Honorable James F. Byrnes,
Director,
Office of Economic Stabilization,
Washington, D. C.

Enclosure

MSE:VE:b

MEMORANDUM OF SUBSIDIES PAID TO CONSTRUCTION WORKERS

AIR CORPS RECRUIT REPLACEMENT CENTER*

The following information received from Mr. Barclay, and Mr. Carlson.
Scott & Company, Plumbing Contractor.

<u>Plumbers from California:</u>	<u>Daily Wages</u>	<u>6 Day Weekly Earnings</u>
About 20 imported from California		
Wage rate \$1.70 excess 20¢		
Average day is 10 hours		
8 hours @ \$1.70	\$13.60	
Premium time 2 hours @ \$2.55	5.10	
Travel time per day, 6 days	1.50	
Board and room	2.50	
Total per day - 6 days	<u>\$22.70</u>	\$136.20
Board and room 7th day		<u>2.50</u>
	TOTAL	\$138.70

Transportation from Salt Lake in Scott's truck
Scott paid fare to Salt Lake \$56.00, will pay fare
back to California, \$56.00, if they work to end of
job, otherwise \$15.00 to each man if discharged.

Plumbers from Salt Lake and Vicinity:

Wage rate \$1.50 per hour		
Average day 10 hours		
8 hours @ \$1.50	\$12.00	
Premium time 2 hours	4.50	
Travel time	1.50	
Transportation allowance	.80	
Total per day	<u>\$18.80</u>	\$112.80

NOTE: The plumbers and other sub-contractors have occasionally worked 7 day weeks
and often in excess of 10 hours per day, and the weekly checks run from
\$165.00 to \$241.00 for California men, and for local men from \$120.00 to
\$163.00. Two of the plumbing and/or steamfitter superintendents weekly
checks in August \$225.00 to \$297 and \$180.00 to \$243.00.

* About 15 miles south of Salt Lake City.

AIR CORPS RECRUIT REPLACEMENT CENTER

Painters:

Daily Wages

6 Day
Weekly Earnings

Wage rate \$1.125 per hour
Average day is 10 hours
8 hours @ \$1.125
Premium time 2 hours
Travel allowance
Transportation

\$ 9.00
3.375
.50
.25

Total per day

\$13.025

\$ 78.15

DUGWAY PROVING GROUND

The Area Engineer Reports the following:

Plumbers:

7 Day
Weekly Earnings

Paid \$1.50 per hour-8 hours
Premium time 2 hours @ 2.25
Board allowance

\$12.00
4.50
2.00

Total per day

\$18.50

\$139.50

NOTE: These men are also paid \$4.50 on beginning work and \$4.50 when terminated for transportation.

Electricians and Welders same as above.

Roofers:

Regular time 8 hours @ \$1.25 hr.
Premium time 2 hours @ 1.875
Board allowance

\$10.00
3.75
2.00

Total per day

\$15.95

\$110.45

OGDEN AIR DEPOT

Area Engineer Reports:

Mullins & Wheeler, sub-contractor, allow all their employees 50¢ per day transportation.

Painting sub-contractor allows \$1.00 per day to painters for transportation.

Roofing sub-contractor haul their men from Salt Lake gratis but allow no travel time.

Wasatch Electric allow 3¢ per mile to employees driving own car or haul in company truck from Salt Lake and/or Ogden, no travel time.

Koch Plumbing allow one hour travel time plus transportation from Salt Lake in company truck.

Heating sub-contractor allow men round trip travel time from Salt Lake, about two hours plus transportation.

Paul Paulsen allows men one hour per day travel (carpenters).

WENDOVER ARMY AIR BASE

Harrison & Dorman have allowed each employee \$1.50 per day for board and room.

NOTE: It is common current practice for contractors recruiting labor out of the state to pay transportation one way if workmen stay on the job from 30 to 50 days.