

EVASION OF ACT BRINGS BAN ON SUB - CONTRACTS

Secretary of Labor Tells
of Result of Quiz on De
Camp-Hudson Firm.

7/12/32

Elimination of the sub-contract program on government work at Boulder City for getting around the minimum wage scale set by act of Congress, was assured today, according to a letter received from Secretary of Labor Doak, enclosing a copy of a letter written to Secretary Ray Lyman Wilbur of the interior department.

The letter, which is self-explanatory, follows:

July 11, 1932

Honorable Ray Lyman Wilbur,
Secretary of the Interior,
Washington, D. C.

My Dear Mr. Secretary:

A complaint having been received that the DeCamp-Hudson Company contractors for the erection of thirty houses at Boulder City, Nevada, were violating the provisions of the Davis-Bacon Act, Public No. 798, 71st Congress, I caused an investigation to be made by Mr. Leonard T. Blood, a representative of the Department of Labor. The dispute which Mr. Blood took up and adjusted was most important in itself involving but two men, but his investigation disclosed a practice obtaining at Boulder City which should not be permitted.

THE SPECIFIC complaint above mentioned is that of two carpenters who were hired by the De-Camp-Hudson Company for the rough framing of four houses at \$62.00 per house. After working eight days and finding that but little progress had been made, the two men refused to continue the work and were offered \$2.00 per day as compensation for their skilled labor. Through the good offices of Mr. Blood an adjustment of the matter was reached.

This Department has on file a copy of a communication addressed to the Labor Commissioner, Las Vegas, Nevada, from the De-Camp-Hudson Company and countersigned by Mr. C. D. Hudson in reference to the above case, in which the following statement is made:

"These two men accepted a verbal contract in the presence of witnesses for the rough framing of four houses at \$52 per house."

The above is cited because it is a specific instance of the existence of the practice about which I wish to protest. I have been informed that there have been a large number of complaints from men who signed sub-contracts for labor only at Boulder City. Complaint is made that in many cases it has been necessary for these men to work from daylight until dark in order that they could realize enough from their contract to feed their needy families. It is said that men have worked for as little as ninety - five cents per basis.

I AM CONVINCED that this day doing carpentry work on this practice of subletting work to journeymen craftsmen is a subter-

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Evasion

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fuge to evade payment of the prevailing rate of wages and is a violation of the law.

In a letter addressed to Mr. Leonard Blood, the Department's representative dated June 10, 1932, from the DeCamp-Hudson Company, Ltd., and countersigned by Mr. C. D. Hudson, I find the following statement:

"Mr. DeCamp attended a conference at Boulder City on June 8th with Mr. Walker R. Young at which time the prevailing wage for our contract was decided upon. The wage for rough carpenters was set at 62 1-2 cents per hour or \$5.00 per day."

IT IS MY understanding that the rate established by the Six Companies Inc., for carpenters at Boulder City and accepted as the prevailing rate, is \$6.00 per day. The claim that rough carpenters, sometimes designated as form builders, are not carpenters has been successfully refuted, and the contention that such designation of workmen is merely a subterfuge to evade the payment of the prevailing rate of wages seems to be well founded.