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IMPORTATION OF CANADIAN BONDED LABOR

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BEFORE THE
SUBCOMMITTEE ON LABOR
OF THE
COMMITTEE ON
LABOR AND PUBLIC WELFARE
UNITED STATES SENATE
EIGHTY-FOURTH CONGRESS

FIRST SESSION
ON

S. Res. 98

A RESOLUTION TO AUTHORIZE A STUDY OF THE POLICY
AND PRACTICE OF THE UNITED STATES WITH RESPECT
TO PERMITTING BONDED LABORERS FROM CANADA TO
ENTER AND WORK IN THE UNITED STATES

JULY 21, 22, AND 25, 1955

Printed for the use of the Committee on Labor and Public Welfare



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IMPORTATION OF CANADIAN BONDED LABOR

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IMPORTATION OF CANADIAN BONDED LABOR

THURSDAY, JULY 21, 1955

UNITED STATES SENATE,
SUBCOMMITTEE ON LABOR OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D. C.

The subcommittee met pursuant to call at 10 a. m. in room P-63, United States Capitol, Senator Paul H. Douglas (chairman), presiding.

Present: Senators Douglas (chairman), Smith of New Jersey, and Goldwater.

Also present: Stewart E. McClure, staff director; Roy E. James, minority staff director; John S. Forsythe, general counsel; Frank V. Cantwell and Michael J. Bernstein, professional staff members; and Grover C. Smith, chief clerk.

Senator DOUGLAS. The committee will come to order.

The subcommittee meets this morning to consider Senate Resolution 98, introduced on May 11, 1955, by Senator Margaret Chase Smith of Maine. This resolution authorizes and directs the Committee on Labor and Public Welfare, or a subcommittee thereof, to make a full and complete study or investigation of—

1. Present policies of the United States with respect to importation of bonded laborers to work in the United States;
2. The number of such laborers presently in the United States; and
3. The extent to which the presence of these bonded laborers affects the wage rates and opportunities for employment of United States citizens.

I should like to stress that this is a preliminary study by the Subcommittee on Labor to determine whether there is need for a full investigation as would be provided under Senate Resolution 98, if adopted by the committee and the Senate.

We expect the hearings to continue today, tomorrow, and Monday. Our witnesses will include the author of the resolution, our distinguished colleague from the State of Maine, Senator Margaret Chase Smith; the Honorable Charles E. Merrow, a Representative from New Hampshire; and other witnesses from the area affected by the bonded labor problem.

A copy of the resolution will be included in the record at this point. (The resolution, S. Res. 98, follows:)

[S. Res. 98, 84th Cong., 1st sess.]

RESOLUTION

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of (1) the present policy and practice

of the United States with respect to permitting bonded laborers from Canada to enter and work in the United States, (2) the number of such bonded laborers currently present in the United States, and (3) the extent, if any, to which the presence of such bonded laborers in the United States affects the opportunities for employment and wage rates of United States citizens engaged in the performance of services which are the same or similar to those performed by such bonded laborers. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with such recommendations as it may deem desirable.

Senator DOUGLAS. I am happy to welcome as our first witness Senator Margaret Chase Smith, United States Senator from the State of Maine.

STATEMENT OF HON. MARGARET CHASE SMITH, A UNITED STATES SENATOR FROM THE STATE OF MAINE

Senator MARGARET CHASE SMITH. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, at the request of representatives of northern New England labor, I introduced Senate Resolution 98, to investigate the policy of admitting bonded laborers from Canada to work in the United States.

I did so because allegations have been made that the importation of Canadian bonded woodsmen in the lumber industry in the northern New England area has adversely affected employment opportunities for American workers; that such imported Canadian bonded workmen were being used for work not originally intended; that there were numerous violations of wage and hour regulations; that there were evasions of withholding tax payments; and that a reduction in prevailing wages was being forced on American labor by such importation.

Subsequent to the introduction of Senate Resolution 98, I received a letter dated May 25, 1955, from L. J. Freedman, chairman of the committee on imports for the American pulpwood industry, with which was transmitted a summary statement that that committee had made on this subject.

The high points of that summary are the counter allegations that there has always been such a shortage of American woodsmen that it has been necessary to import Canadian labor; that this is because American labor lives too far from the woods and because the woods operations is such a short season and in the summer when work is most plentiful elsewhere; that wage and hour regulations are complied with; that Canadians are not taking jobs away from American workers but rather making employment for American labor; that the Canadians have not forced woods wages down but rather that woods wages in northern New England have increased more than that of the countrywide increase in woods wages; that employers have no requirement to assume the duties of an internal revenue collector to determine if Canadian workers exaggerate the number of dependents to avoid payment of the Federal income tax; and other counter allegations.

In the interest of assisting the committee on this matter, Mr. Chairman, I submit to the committee certain material I have received and which I request be returned to me when the committee has finished with it. This material is:

1. A copy of a brief of the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers of the American Federation of Labor on this subject;

2. A copy of a summary statement of the employer group, the committee on imports for the American pulpwood industry on this subject;

3. Minutes of a conference on this subject held at the State House in Augusta, Maine, on February 28, 1955; and

4. Minutes of a conference on this subject held in the offices of the Maine Employment Security Commission in Portland, Maine, on March 16, 1955.

(Copies of above documents have been retained in committee files.)

Senator MARGARET CHASE SMITH. In closing, I want to make two points crystal clear on my position on this matter.

The first point I wish to make is that I am not an advocate of either side of this controversy. My position is simply this: Some very serious allegations have been made in this matter—so serious that they cannot be ignored—so serious that they deserve some inquiry to determine if there is any basis of fact for them.

If inquiry should find them true and accurate, then remedial and corrective action should be forthcoming. If inquiry should find them false or without factual support, then they should be dismissed and the atmosphere on this matter cleared.

I will be quite disappointed if anyone should attempt to use these hearings for undue advantage as a propaganda forum rather than a fair, unbiased, and objective search for facts.

The second point I wish to make is that the introduction of my resolution had nothing whatsoever to do with Mr. Newell Brown as it has been gratuitously interpreted by some.

Senator DOUGLAS. I think that we can bear witness to the truth of that second statement, because I know that if you were concerned about this matter long before the question of Mr. Newell Brown's appointment came up.

Senator MARGARET CHASE SMITH. Thank you very much.

Senator DOUGLAS. Now, I will just ask one question.

Have you been receiving complaints for some time on this matter, or is this a matter of recent development?

Senator MARGARET CHASE SMITH. I have been receiving complaints since the first part of the year. Of course it has been a subject with us for years. We have all been interested in getting the wood cut and keeping the business going.

Senator DOUGLAS. As I understand, bonded laborers were first brought in during World War II.

Senator MARGARET CHASE SMITH. No; I think not. I think that you will have witnesses who will testify to the exact time but it has been for a good many years. Perhaps it was on a smaller scale than in World War II.

Senator DOUGLAS. In other words, what you want to do is present your concern and present the documents, but not take any position?

Senator MARGARET CHASE SMITH. That is exactly right. I would like to have you hear the witnesses that you have coming in, and have the committee decide on just what can be done to clarify the whole matter.

Senator GOLDWATER. I have no questions.

Senator DOUGLAS. Thank you very much.

Congressman Merrow, we are very glad to welcome you here this morning.

**STATEMENT OF HON. CHESTER E. MERROW, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NEW HAMPSHIRE**

Representative MERROW. Mr. Chairman and members of the committee, I appreciate very much the opportunity to be here and say a word in reference to Senate Resolution 98. I want to compliment the committee on having these hearings in reference to the proposed resolution.

Senator DOUGLAS. May I say that when Senator Smith asks for something, it is the general practice in the Senate to do it.

Representative MERROW. I am glad to hear that.

This matter was brought to my attention several months ago by Mr. Parr, who is here to testify in respect to this resolution. I called a meeting on the House side which was attended by representatives from Maine and New Hampshire and the representatives of the senatorial offices. We had a meeting in May, and at that time Mr. Parr and Mr. Smyth and others presented the case and asked that this matter be gone into so that all of the facts could be brought out.

Subsequent to that meeting, this resolution which you have read this morning was introduced.

My position on the matter is essentially the same as Senator Smith's, that I hope all of the facts in this problem, which is a serious problem, will be presented, and on the basis of those facts the committee will be able to decide on the resolution.

I am very happy that you are going to hear all parties concerned in this matter. I hope that a satisfactory solution will be worked out, because it is a pressing problem in New Hampshire and in Maine.

Senator DOUGLAS. As well as in Maine; is that true?

Representative MERROW. Yes; as well as in Maine. I do not think that I will take any more of the committee's time, but I am very happy that you are having these hearings. The resolution is a comprehensive resolution, and after the facts in the case have been presented I know that the committee will do the proper thing. I think it is a question that should be discussed, and all of the facts should be brought out. I thank you very much, Mr. Chairman, for this appearance.

Senator DOUGLAS. We appreciate very much your appearance.

We will try to hear Mr. Parr today. We had scheduled three other witnesses, but if possible we will try to fit Mr. Parr in.

Representative MERROW. That would be splendid, and that would be very helpful, because Mr. Parr would like to get back.

Senator GOLDWATER. Senator, might I ask a question?

Do you have this particular problem in your district?

Representative MERROW. It is in the Second District. Mine is the First District. The problem is in the Second District.

Senator GOLDWATER. Do you know if the industry has made every effort they can to obtain these workers from the labor groups in New England?

Representative MERROW. Senator, I would rather the industry speak on that so those facts can be brought out.

Senator GOLDWATER. All right. I will ask the question of the industry.

Senator DOUGLAS. Thank you very much, Mr. Merrow.

The first witness will be Mr. Samuel Angoff, Esq., of the firm of Grant & Angoff. You are accompanied by Mr. Smyth and Mr. Crawford?

STATEMENT OF SAMUEL E. ANGOFF, ESQ., OF THE FIRM OF GRANT & ANGOFF, BOSTON, MASS., ACCOMPANIED BY PHILIP E. SMYTH, INTERNATIONAL REPRESENTATIVE OF THE INTERNATIONAL BROTHERHOOD OF PULP, SULPHITE, AND PAPER MILL WORKERS, BERLIN, N. H.; HARRY PARR, PRESIDENT OF THE NEW HAMPSHIRE STATE FEDERATION OF LABOR, HAMPTON, N. H.; CECIL V. CRAWFORD, INTERNATIONAL REPRESENTATIVE OF THE INTERNATIONAL BROTHERHOOD OF PULP, SULPHITE, AND PAPER MILL WORKERS, LANCASTER, N. H.

Mr. ANGOFF. And by Mr. Parr. Mr. Parr is on my right. He is the president of the State federation of labor in New Hampshire, and Mr. Smyth is on my left, and Mr. Crawford also is here.

My name is Samuel E. Angoff, of the law firm of Grant & Angoff, 44 School Street, Parker House, Boston, Mass.

First, we want to say that we agree with Senator Smith's approach. We are not here for propaganda purposes. We are not here as antagonizers. We are not here as partisans. We are here to improve, if we can, through information, a serious problem which concerns us in the north woods, and in the Northeastern States. We want prosperous wood operations, and prosperous paper and pulp companies, and we think our approach will help our economy in the Northeast.

We have been unable to get together with the employers to discuss our problems jointly. As some of the men around me will tell you, request after request was made of important people in the industry seeking a joint cooperative approach, but we have been rejected. We believe it is not because of viciousness but because a way of life has been accepted. The status quo is taken for granted. We are grateful then for the resolution.

Now, what is this all about? The old-fashioned logger or lumber worker, or woodchopper is gone. The Paul Bunyans are in the books, and they are myths.

Senator DOUGLAS. I was never a Paul Bunyan, but I was once a lumberjack, in Maine.

Mr. ANGOFF. And those who look back on those days with nostalgia better stay with the books.

Woods operations have changed completely. Today we have factories in the woods.

Some of the operators would like to think of the old days, even though they have new equipment and new methods of production. In the old days a woodworker up in Berlin, N. H.—where we operate and work in the field of labor—in the old days a woodworker was some-

times shanghaied, and sometimes picked up in bars and quite often went involuntarily into those cold woods. He stayed for months, and lived rough and came out sober with some money; he bought a new ax, and maybe some new overalls, and hid them in a room somewhere and then went down to the bar and spent the remainder of his money, and finally came back to the woods.

Senator DOUGLAS. In Maine it used to be Bangor.

Mr. ANGOFF. That is right. That is gone. Contrast that with the present situation. Today we have roads in woods, and you can bring a herd of cows up there to an operating job. The bulldozer has changed the woods entirely. A bulldozer makes a good road into the woods. The bulldozer makes it possible for the men working in the woods to take their Chryslers and Cadillacs which we hope to get some day, or their little Fords—which they have now—into the woods and go home every night. That has changed the character of the applicants for jobs, and the nature of the applicants for jobs. Today the applicant for jobs in the woods among Americans is usually that of a married man with several children, perfectly sober, owns a home, is a member of the various orders and clubs in the community, a valuable member, who buys his material in the local stores, who goes to local churches and pays all of his local taxes, and votes, and participates in every aspect of community life.

Another piece of equipment in the American scene which has changed the whole situation, and which some jobbers have not yet accepted, in their thinking of our problem, is the chain saw, or the power saw. In the old days, and I still use them for exercise, we used those big hand saws. Those are gone. Perhaps the "cookie" who does the cooking may sometimes use a saw or an ax. But the chain saw has brought into the woods mechanical genius. Who can use equipment better than Americans? American woodchoppers can cut trees faster and cleaner and in the way we want them wherever they are located.

Senator DOUGLAS. Are you saying that the ax is no longer used in cutting trees?

Mr. ANGOFF. I would not say that, but the chain saw is used almost entirely in most places. When we have a hurricane or something like that we use an ax to cut down the trees on lawns, but in the woods the chain saws are used. Not only are the chain saws here but a whole incidental field of business has been developed in servicing and selling chain saws. We have people going into the woods to take care of the broken chain saws. There are financial arrangements made for the sale and purchase of these chain saws which are quite expensive.

A third piece of equipment that has changed everything in the woods is the crane. Instead of lifting these logs by hand, these huge logs are now lifted, sometimes in packs of 10, 12, or more. We still have horses in the north woods for a specific purpose. I can go on developing—

Senator DOUGLAS. Do you still have the spring drive, or has that disappeared?

Mr. ANGOFF. I have watched what we call the spring drive, but they are nothing like the old-fashioned spring drives. I have more experts here. Basically, I am a lawyer, although I go into the woods.

To continue, however, a combination of this new equipment and their use has made possible a new life and a new approach for those

who seek to work in the woods. Some employers, especially jobbers, have forgotten this or ignore this new situation.

Now, we have another problem. This problem arises from the failure to accept these new changes. That is, who should work in the woods and in what numbers, and what times of the year. In the First World War there was an absolute need for Canadian woodcutters. We admit it. In the Second World War, there was a need for Canadian woodcutters. We admit it. In fact, German war prisoners were used, and we say they were necessary.

Following the Second World War, there was still a need for Canadians in the woods. We admitted it. There is some need for Canadians in the woods today. We believe that ultimately there will be no need, and we believe that the need that exists is due to the failure of the American employers who use these Canadian woodsmen to encourage Americans to go back to the woods.

Senator DOUGLAS. Mr. Angoff, when were these regulations introduced permitting Canadian labor to come in for specific employers under bond?

Mr. ANGOFF. Mr. Crawford is better equipped to answer that question than I am.

Mr. CRAWFORD. I didn't get the question.

Senator DOUGLAS. When were Canadian laborers first permitted by legislation or administrative order to come into this country under contract to perform labor under bond?

Mr. CRAWFORD. During the First World War the employers in the pulp and paper industry started to bring them in from Canada on a bonded basis. They would make application for them, and they maintained at that time that there wasn't enough American labor available. However, that situation has changed and we are prepared to develop that later.

Senator DOUGLAS. What happened between the wars? That is, between World War I and World War II?

Mr. CRAWFORD. There was a period in there that there was enough American labor to handle the problem.

Senator DOUGLAS. There was enough labor?

Mr. CRAWFORD. To get the production, yes.

Senator DOUGLAS. So no Canadians were brought in?

Mr. CRAWFORD. That is right, for a period.

Senator DOUGLAS. During the period 1919 to 1941?

Mr. CRAWFORD. That is right. Then later in 1944, or 1945, they started importing them again in greater numbers and that has continued up to the present time, which is aggravating the problem.

Senator DOUGLAS. Due to the shortage in New England and a surplus of labor in the Canadian, and French Canadian townships of eastern Canada and the Gaspé Peninsula?

Mr. CRAWFORD. Most of them come from the Province of Quebec.

Senator DOUGLAS. The eastern townships of Quebec and the Gaspé Peninsula, which lies north of New Hampshire, and north and west of the State of Maine?

Mr. CRAWFORD. That is right, right across the boundary.

Mr. ANGOFF. To go on, here are some very interesting things that have happened. These events discourage Americans from working in the woods, and continue, what we believe, is this unnecessary importation of Canadian woodsmen.

An employer or a group of employers, and jobbers, or the big employers who own the paper and pulp companies operate camps. We will say more about the conditions in the camps later. The details of the applications made by them for Canadian labor will be furnished by other witnesses. At any rate, usually an application is made for more Canadians than are necessary.

Senator DOUGLAS. In the old days, Mr. Angoff, in addition to the big companies such as the Brown Co. of Berlin, and the Great Northern Co. of Millinocket, Maine, there were independent lumbermen who would hire crews and then would sell the logs upon delivery to sawmills, and so forth. Is that latter practice carried out now, or in the main, do the big mills have their own groups?

Mr. ANGOFF. The big mills have their own crews, and also have their own sawmills, and also have other jobbers and others doing the work for them.

At any rate, an application is made for a number of Canadians. We maintain that they ask for more than they need. How are they paid? We have here a great deal of testimony and we have some exhibits. We first want to introduce what is already in evidence, we believe, namely, a meeting of an employee group on importation of Canadian labor held on February 28, 1955, in Augusta, Maine, which was presided over by Gov. Edmund S. Muskie, of the State of Maine. There you have from the lips of many, many witnesses, the details of some of the things I am going to tell you.

We also have the transcript of a meeting of an employer group on importation of Canadian labor held on March 15, 1955, in Portland, Maine. We maintain some of the testimony there, most of it bears out what we have to say.

(The documents referred to have been retained in committee files.)

We prepared a preliminary brief which outlines what I have to say and contains a great deal of correspondence.

Let us say that we are not here after Newell Brown's head, but in the course of what we have to say we will have to mention his name, and some letters he wrote to us concerning the establishment of rates which we think are relevant to the issue in this case.

We will show by referring to the testimony of the employer groups that some employers deliberately give to the people or employees in Newell Brown's office in New Hampshire, and those in a similar position in Maine, low figures and low rates which will not make woodchopping attractive to American workers.

Senator DOUGLAS. May I ask this. You mentioned Mr. Brown, and what is Mr. Brown's connection with all of this?

Mr. ANGOFF. Mr. Brown had a lot to do with this. He was the director and still is as far as I know, of the Division of Employment Security in the State of New Hampshire.

I have a letter which I want to introduce which will develop what you asked me. Mr. Newell Brown in a letter dated January 28, 1954, to Mr. Philip Smyth, who is here, in connection with a matter of wages and wage rates—

Senator DOUGLAS. What are Mr. Brown's duties which involve him in this issue?

Mr. ANGOFF. I am sorry. He directs the establishment of wage rates for the woodchoppers and other in the woods.

Senator DOUGLAS. Does the director of employment security approve the numbers of Canadian labor brought in under bond?

Mr. ANGOFF. Mr. Smyth will answer that.

Mr. SMYTH. Mr. Newell Brown's duties and responsibilities in this particular case would be this:

If an employer makes request to the employment security division for bonded men for the reason that there are not enough American workers, the employer has to go to that division, the employment security division and tell them that they cannot get enough American workers to go in the woods. They ask for bonded men. In turn the employment security division will certify that number of people that they need, the bonded men that they need, to the Immigration Service. But Mr. Brown has to approve them. He has to approve the fact that there are not enough American workers to go into the woods.

Senator DOUGLAS. So in a sense he does pass on the request of employers for Canadian labor?

Mr. SMYTH. That is correct.

Senator DOUGLAS. If he felt that there was a sufficient quantity of American labor to meet the demand, he could refuse to certify?

Mr. SMYTH. That is correct as I understand it.

Senator DOUGLAS. That would be the same conditions in Maine, with the appropriate authorities?

Mr. SMYTH. That is correct, sir.

Senator DOUGLAS. I would like to get some background before we start.

Is there much unemployment in the State of New Hampshire?

Mr. SMYTH. In the northern area, no.

Senator DOUGLAS. Is there much unemployment in the southern area?

Mr. SMYTH. I will have to refer to Mr. Parr. I am not acquainted with the southern part.

Mr. PARR. Well, at the present time, Mr. Chairman, to the best of my knowledge, employment of course due to seasonal occupations up there has picked up so that there is not too much.

Senator DOUGLAS. Not too much unemployment?

Mr. PARR. Not at this particular time. But during the course of the period when they were seeking to import from Canada woodsmen and truckdrivers and bulldozer operators and farm laborers to pick apples, and hotel and restaurant workers, and automobile mechanics, and so forth, there was some 12,000 or 14,000 to the best of my knowledge unemployed. That was back in 1954 and the first part of 1955.

Senator DOUGLAS. So that during the period in question or during a period in question, you think that there was a large amount of unemployment?

Mr. PARR. Yes, I believe there was.

Senator DOUGLAS. Was that in the southern portion of the State?

Mr. PARR. It was probably predominant in the southern part, or what we would call south of the mountains, let us say, there was the most unemployment in that area during that period of time. How many were unemployed I could only state on what I was told as president of the federation in the northern part of the State during certain times of the year when these requests for importations were made. There were a lot of woodsmen who were available for work in the woods and because of the wage structure that was set up they

would not accept employment in the woods and they went across into the Littleton area, working for contractors over there cutting off wood over there on that power dam they are building. They even went this year as far south as the Massachusetts Thruway to cut off the lumber that was to be removed on the thruway. I believe that is a correct statement, isn't it?

Senator DOUGLAS. Mr. Smyth, was there appreciable unemployment in northern New Hampshire last year?

Mr. SMYTH. No, sir.

Senator DOUGLAS. To what degree do the people from southern New Hampshire go up into the woods of northern New Hampshire?

Mr. SMYTH. None that I know of.

Senator DOUGLAS. In other words, the people from the southern part of the State do not tend to move up into the northern part of the State if there was work up there?

Mr. SMYTH. The situation at the present moment is this: The wage structure is such that the best lumberjacks that I know of are working in Massachusetts and the bonded men are working in their backyards. They can make a living cutting by the acre on turnpikes and gaslines and powerlines in Massachusetts, and they cannot make a living in the woods in New Hampshire. If we had those fellows back—

Senator DOUGLAS. What power does the director of employment security in New Hampshire—we will come to Maine later—have in fixing the wage rates at which these men are to be paid?

Mr. SMYTH. The situation is this way, and we can refer you to an application to the Immigration Service, that the companies who employ people in the woods will say "We are willing to pay a certain rate of pay."

For instance, in 1952, and this is a very good example, we could not get enough American workers to go in to chop wood. I am talking specifically for the chain-saw men. They received a rate of pay of \$7.50 a cord. That was in 1952.

In 1953 that rate of pay was cut 50 cents a cord, to \$7 a cord. In 1954 it was again cut \$1 a cord.

Senator DOUGLAS. To \$6 a cord?

Mr. SMYTH. It is \$6; yes. I think that this investigation will show that there was nobody up there that pays in excess of \$6. So they could not get the American worker at \$7.50 in 1952, and how do they expect to get them in 1955 at \$6 a cord?

They say, "We are willing to pay \$6 a cord for workers in the woods, with a chain saw, and if you cannot get the American worker at that price, then you can go and get the bonded men."

That is the rate structure that affects the American worker in the woods.

Senator DOUGLAS. Do you think that if the rate were \$7.50 or \$8 that your experienced woodsmen would come back from Massachusetts?

Mr. SMYTH. Yes, sir. At \$7.50, our American workers would be working in their backyard, today.

Mr. ANGOFF. I have some concrete evidence as to how the rates were established.

Senator GOLDWATER. I think that we ought to pursue this just a little bit further before you proceed with your testimony. I have

an interest in this because along the Mexican border where I live we have a very comparable situation, and I think it would be proper for the witnesses to put into the testimony at this point how this whole bonded system operates. For instance, the Mexican labor program is operated entirely by the Federal Government in my State and in California and the other border States. State employment people do not enter into it at all. Would you mind explaining just how this bonded program works up there?

Mr. SMYTH. The bonded men program is operated this way: The companies must go to the State employment security division and state that they cannot get enough workers in the woods, the American workers. They want so many men. The employment security division says, "We can't supply you with all of those men." Then application is made for bonded Canadians.

Senator GOLDWATER. Pardon me for interrupting, but what mechanism does the State employment agency have for knowing how many domestic laborers are available? Do they register with him?

Mr. SMYTH. In the past the companies have advertised by means of newspaper and radio and then for several years they didn't advertise for them until this controversy started and they started to advertise again. The employment security division will make an investigation in the various areas in both the State of New Hampshire and the State of Maine, as to the availability of workers. If they can get them to come into that area then of course they won't need any bonded men.

Mr. ANGOFF. You asked a very interesting question. We have been trying to chase down some of the answers. In the old days when textile operators and mill operators wanted help, because there was some restlessness among the natives or among a particular racial group who were then employed by them, they sent agents into Poland and Czechoslovakia or wherever they wanted to go and obtained some person in the community who was important who recruited workers. How do they select what Canadians to come? Where does it start? We do not know what agents operate up north. There must be some arrangement made between the companies and someone in Canada. The immigration authorities must know something about it.

What does Canada have to do with regulating the exodus of Canadians into America? We don't know. We are aware that the Mexican Government may be concerned with the wetback situation to some degree, but up north we have never been able to find out at the source how this whole movement of men actually starts. It is a great secret. We asked Newell Brown and we asked employers, and nobody could tell us.

Senator GOLDWATER. Does the Federal Government maintain employment offices in Canada?

Mr. ANGOFF. I don't know, and I understand it does not.

Senator GOLDWATER. Does the law require them to?

Mr. ANGOFF. The employers do, but not the Government.

Senator GOLDWATER. I am talking about the United States Government.

Mr. ANGOFF. I do not believe that it employs anyone for that purpose.

Senator GOLDWATER. Don't they have employment centers in Canada for these people?

Mr. ANGOFF. Not to our knowledge, and to the contrary; we understand the employers send agents into Canada for that purpose, and have offices there.

Senator GOLDWATER. Does the law that set this bonded program up require any Federal supervision in Canada?

Mr. ANGOFF. Not to our knowledge.

Senator GOLDWATER. We cannot just import any Mexican that we want to work in our fields, nor can we employ any numbers. They have to be specified and controlled by the Federal Government.

Mr. ANGOFF. We have a different setup in the North, and we have more or less Anglo-Saxon, homogeneous racial groups, and you don't have all of the troubles which confront you on the southern border of Mexico.

Senator GOLDWATER. We have the same thing, too.

Mr. ANGOFF. What we have here is first recruitment, about which we know very little, and an easy arrangement for coming over between the American immigration and the Canadian people. There is no problem such as you have in your State, Senator.

As this hearing develops, you will see how important it is to start this whole correction procedure at the source.

Senator GOLDWATER. I still do not understand this program. Can you give me the law, and maybe it will help me if you will give me the law that set this program up, and I can find it and read it.

I cannot understand how this operates. You tell me that a company can go up into Canada and hire a number of workers, and bring them into the United States without any arrangement at all?

Mr. ANGOFF. I have a letter that will develop that specific point.

Senator DOUGLAS. I have been looking at the statutes, and I will be glad to pass them over to the Senator. The situation is different from importation of Mexican labor, which operates under a special statute.

This is under the general statute, and it was finally codified in the 1952 act. That permits the temporary entrance into the United States of immigrants for services if you employ persons capable of performing such service, or labor cannot be found in this country.

The enforcement provisions are given by the statute to the Attorney General. I am told that the Attorney General in turn delegated the powers to the Department of Labor, and that the Department of Labor then delegated the powers to the various State departments of labor.

We are however going to have the immigration authorities and the Federal employment services and so forth here.

Senator GOLDWATER. What I am trying to do is this: This program operates differently than we operate in similar programs on the border States, and I am trying to find out the connection of any State agency with what in our case is a Federal operation. That is what I am trying to determine.

Mr. ANGOFF. Here is how it works, and the Senator beat us to it. There is so much to put in on this subject that you can't put it all in at one time.

There is a team made up of the Immigration Department people of the Federal Government and the Division of Employment Security, which is in the State, and also of the Department of Labor, which is a Federal agency.

Senator DOUGLAS. The Federal Department of Labor?

Mr. ANGOFF. And the Federal Department of Immigration, yes. That is plus the State people.

Worker representatives are not in at any point in the top conferences. Later on they may be asked some questions. Now, here is how this team works:

I have a letter in my hand from Mrs. Wilder, Director of Employment Service Bureau, of the State of New Hampshire:

In accordance with our current procedure—
she writes on March 28—

covering the importation of Canadian woodsmen, I wish to notify you that allocations totaling 1,181 have been distributed among 13 employers, 6 of whom will be operating in Maine, and/or Vermont, as well as in New Hampshire. The remaining 7 operators, with a total allocation of 391 have listed their operations as being entirely in New Hampshire. As of this date, all 13 operators are listing their orders through our Berlin local office as their operations are within the area served by that office.

Specific petitions filed by operators in the State of New Hampshire have been made with the Immigration and Naturalization Service for the 6-month period beginning April 1, 1955.

The fact that an allocation was given does not mean that this number of Canadians will be brought into this country. It merely sets a ceiling against which Canadians may be recruited.

If and when domestic labor is found not to be available * * *

Now mind you, the operators or jobbers always ask for more than they need or want. Now this letter which I want to introduce develops the matter further.

There are a lot of things we don't know. Where do they get these people? What are they promised? Is this the golden land where they are going to pick up money for doing very little? How long are they going to stay? Why do they leave their country where there are plenty of trees and a lot of farms, to come into the United States? What bill of goods are they sold? Do they know that there might be labor trouble and all of that sort of thing? How are they going to be received? Who makes the promises and who pays those who make the promises? These are the things we want to know.

In order to get Canadians into the United States you first must try to get Americans. Here is why you don't get Americans.

Senator GOLDWATER. Now, could I wind this up, because you have put a lot of light on this.

A team of Immigration people and Department of Labor people?

Mr. ANGOFF. Federal Department of Labor people.

Senator GOLDWATER. And both of those are Federal departments? Then we come into the State picture. I did not understand whether it was the Employment Service or Employment Security.

Mr. ANGOFF. The letterhead there speaks for itself.

Senator DOUGLAS. The Bureau of Employment Security has jurisdiction both over the Employment office and over Unemployment Compensation, is that right?

Mr. ANGOFF. That is right.

Senator GOLDWATER. Employment Security then is your Department of Labor?

Mr. ANGOFF. No, it is the State department which has control over the payment of unemployment compensation and also the employment of people like Canadian labor.

Senator GOLDWATER. The Employment Service Bureau is different from the Division of Employment Security, is that correct?

Senator DOUGLAS. I think they are both bureaus under the Department of Labor or the Bureau of Employment Security.

Senator GOLDWATER. I am trying to find this team setup here.

Mr. ANGOFF. We have a lot more material.

Senator GOLDWATER. I wanted to get that, because I want to be certain, and I cannot find it in this letter. Maybe I am not looking at the right place, whether this team includes as a State representative the Employment Service Bureau or the Division of Employment Security.

Mr. PARR. Well, Senator, as I understand the situation, out of the Labor Department, under Secretary of Labor Mitchell, is set up these regional offices throughout the country. In the city of Boston we have a regional office under the direction of an Arthur C. Gernes, who is regional director.

Within the States we have our employment security offices that are run by the State. They have their own directors. In this particular case, Newell Brown is a director of employment security in the State of New Hampshire.

To the best of my knowledge, they operate as an independent bureau within the State. However, they are subject to certain rules and regulations as may be set up either out of the regional office or out of Secretary of Labor Mitchell here in Washington. That is the best information that I could give you and the best of my knowledge.

Mr. ANGOFF. I have the statutes, Senator, and a letter from the Director of United States Department of Justice, Immigration and Naturalization Service, which explains part of your question. I just want to refer to a portion of it. [Reading:]

Reference is made to your letter of the 8th instant reaffirming your union's objection in general to the importation of skilled Canadian woodsmen for employment in the United States. You point out that the responsibility for approval of these petitions rests with this office, which is correct.

Mind you, this is the Immigration and Naturalization Service, District Director, who has obtained some power because of the delegation of powers to him by the Department of Justice.

I would like to call your attention, however, to the provisions of the Immigration and Naturalization Act—

and then he sets forth a great many statutes there—

which give nonimmigrant status to such aliens when coming temporarily to the United States to perform temporary services and labor.

Then he goes into all of the titles. But here is the important part:

The matter of the observance of employment service policies covers payment of prevailing wages, and the Immigration Service must rely on the Employment Service to establish that such wages are being paid or will be paid by the industry.

I understand that the regional director of the Bureau of Employment Security has advised you of a conference recently held in his office.

Now here is what they do: The Department of Justice turns over some authority to the Immigration Department. The Immigration Department really turns over almost all of the authority to this State regional director of the Bureau of Employment Security. That is why we always met Newell Brown wherever we went, and that is why we brought his name into these hearings.

Senator GOLDWATER. Is he a Federal appointee or a State appointee?

Mr. ANGOFF. He is not yet a Federal appointee.

Senator GOLDWATER. I wanted to finish this. I have not yet determined whether the three-man team includes as a State representative the employment service or the division of employment security.

Mr. ANGOFF. Somewhere along the line we got lost as to the distinction, if there is a distinction, between those two named agencies.

Senator GOLDWATER. The Employment Service Bureau is affiliated with the United States Employment Service, and Mrs. Abby Wilder is the director.

Now, the division of employment security has Mr. Newell Brown as its director, and it would be quite important in future determinations to determine whether Mr. Wilder—

Mr. ANGOFF. It is Mrs. Wilder.

Senator GOLDWATER. Mrs. Wilder, I am sorry. That is, whether she is the representative on this team, or whether Mr. Brown is.

Mr. ANGOFF. We will have an exact answer to your question if you give us some time to look it up. We drove all night to get here because we have some pressing problems in the State of New Hampshire which kept us there.

Senator GOLDWATER. I do not want to press it, but I think it is important. If there could be prepared something for the record that will show how this works in relationship to the Federal Government and the State, I think it would be very valuable.

(An explanation of this process appears in the testimony of Sidney Rawitz, Chief Special Inquiry Officer, Immigration and Naturalization Service, beginning on p. 140, and Robert C. Goodwin, Director of the Bureau of Employment Security, Department of Labor, beginning on p. 147.)

Senator GOLDWATER. Now, I have just one more question on this point, and I think it is good to ask it at this time: Does your State have a minimum-wage law?

Mr. SMYTH. Yes, sir.

Senator GOLDWATER. Is there a minimum-wage setup for this particular type of work?

Mr. SMYTH. Not to my knowledge.

Senator GOLDWATER. There has never been?

Mr. SMYTH. No.

Senator GOLDWATER. How do you go about setting up a minimum wage under your law?

Mr. SMYTH. It is through the legislature.

Senator GOLDWATER. The legislature has to set the minimum wage for each industry?

Mr. SMYTH. There are some exceptions.

Senator GOLDWATER. If there is no minimum wage set for the woodcutter—

Mr. SMYTH. The woodcutter would come under the Federal regulations.

Senator GOLDWATER. He would come under the Federal regulations?

Mr. SMYTH. Yes, sir.

Senator GOLDWATER. If you desired a State coverage of that, would you go through the State legislature?

Mr. SMYTH. No, sir.

Senator GOLDWATER. Who would you go through?

Mr. SMYTH. Through the Federal Legislature.

Senator GOLDWATER. You would come up to the Federal, and the State doesn't enter into your minimum-wage picture at all?

Mr. SMYTH. Not in this industry.

Senator GOLDWATER. That is all, thank you.

Mr. ANGOFF. Let me develop further this matter of integration.

Senator SMITH. I am confused in my thinking here. You said that Mr. Brown was a State official. He seems to be wearing two hats now. Is he a Federal official also?

Mr. ANGOFF. No; he has been given certain authority by surrender or relegation. That is, Federal agencies have given him authority to set rates.

Senator SMITH. Under that authority he has to administer Federal law, and under the other authority he administers State law?

Mr. ANGOFF. That is correct, there is a sort of hybrid situation.

Senator SMITH. He is wearing two hats.

Mr. ANGOFF. Yes, sir.

Senator SMITH. Is he accountable to the Governor of New Hampshire or to the Secretary of Labor?

Mr. SMYTH. The Governor of New Hampshire.

Senator SMITH. And not to the Secretary of Labor at all?

Mr. ANGOFF. That is right.

Senator SMITH. In spite of the other hat.

Mr. ANGOFF. Just to show you how much confusion there is, there about 18 months ago a strike took place in the woods, because we couldn't talk to anybody about the situation we have been discussing here. The National Labor Relations Board ruled that these Canadians had a right to vote in an election where a petition was filed by our union. Up until this decision (which is the Brown Co. case on a petition filed by this union), as far as we know these Canadians who are here temporarily, have not been permitted to vote in National Labor Relations Board elections, on the ground that they come here temporarily, they return home, and that they are not domiciled here and they are here to make some money and leave for their own homes in a different country.

The decision which first established this principle was the Vermont Copper Co. case in about 1943. When we petitioned the National Labor Relations Board for an election in the Brown case, the National Labor Relations Board, as it is presently constituted, ruled that these Canadians could vote.

One trouble is that you can't get in to see these Canadians in the woods. If you do get them to sign cards, by the time the National Labor Relations Board comes down with a decision, they have gone home, so you have to start all over again.

Confronted with this situation, where the National Labor Relations Board wouldn't follow its own decisions of the past, a strike had to be called. The employers wouldn't meet with us and so a strike had to be called. During the course of the strike we received a letter from the Immigration Department, which is in our brief, and we will refer to it again later, saying in effect that the Attorney General's office had ruled that during the course of this strike it would permit as many Canadian laborers to come in and take jobs of Americans who were on strike as it thought were necessary. So who could we strike to? There were State police there.

Senator DOUGLAS. What company was that?

Mr. SMYTH. Several companies, everybody.

Senator DOUGLAS. And the Brown Co.?

Mr. ANGOFF. The Brown Co. was one and there were several jobbers. The State police guarded the entrance to the woods and the Americans were out. When we received this information, that imported scabs, as the woodsmen called them, would be authorized to come in from Canada and take their jobs, and this was a Department of Justice ruling, of course we had to call off the strike. So you don't know exactly where to go to get relief in this confusing situation.

Now, on the establishment of rates, Mr. Newell Brown said on January 28, 1954:

Mrs. Wilder and I discussed the question you raised with Mr. Arthur Gernes.

Mrs. Wilder is the person referred to and I think that I have found the answer to your question.

Mr. Gernes is regional director of the Bureau of Employment Security.

That is a Federal department, in the Department of Labor.

Of course Mr. Newell Brown is with the Division of Employment Security for the State of New Hampshire, a State department.

He says that he and Mrs. Wilder and Mr. Gernes discussed these questions that I am going to refer to.

He tells us that Maine handles its wage rates certification on about the same basis that we do. Specifically the bottom rate they quote on any job is a rate which is high enough to get at least some American labor.

Here is what they do: You can always get a refugee from Alcoholics Anonymous or somebody who is unemployed, and if he is willing to work, 1 American, or 2 are willing to work for 80 cents an hour, let us say, or \$4.50 or \$5 a cord, the spirit and the letter of the law has been lived up to as far as Mr. Brown, and Mr. Gernes, and perhaps Mrs. Wilder are concerned.

Senator GOLDWATER. Pardon me. You are talking about rates, and now we have determined that the Federal minimum-wage law applies.

Mr. ANGOFF. Yes, sir.

Senator GOLDWATER. Does it apply in Maine, also

Mr. ANGOFF. Yes, sir.

Senator GOLDWATER. What is the going rate per hour in both of these States.

Mr. ANGOFF. In New Hampshire I can only say a little about New Hampshire, but we have here the president of the New Hampshire Federation of Labor who can answer you better than I. In New Hampshire I was reading the paper before I left, and perhaps Mr. Parr can tell us the details; there was a debate on in the legislature, and it is a huge legislature, and a lot of people in it—there was a fight on over whether it should be 65 cents or 70 cents an hour.

Senator DOUGLAS. That is the minimum, but what about the trade-union rate and the going rate in the unorganized industry for unskilled and semiskilled labor?

Mr. ANGOFF. The rates are much higher.

Senator DOUGLAS. Mr. Parr, can you testify on that?

Mr. PARR. I can only testify, sir, as to the period beginning April 1, 1954, when on a classification for skilled Canadian woodsmen that was submitted to the State federation seeking to import the various classifications, on the back of it they type in the "Brown Co.," and

I will read it into the record, Mr. Chairman, and mind you, these are the rates that were in effect under union contract in 1954. They have since been changed. [Reading:]

The Brown Co., which is the largest single employer in the area, and requires their jobbers to meet their prices, have the following rates:

Bulldozer operator, \$1.325, \$1.575, and \$1.675, and the number of hours is 48.
Crane or shovel operators, \$1.325, \$1.575, and \$1.675 for 48 hours.

Senator DOUGLAS. What about the cutters?

Mr. ANGOFF. There is no rate submitted, sir, for the cutters under union conditions.

Then it goes on because all of this is interwoven, I believe, sir, in the entire case here, of the various classifications. We have woods mechanics, \$1.355 and \$1.565, and \$1.665. They have a rate in here for truckdrivers, \$1.35 and \$1.45.

Senator DOUGLAS. Let me shorten this if I may, and ask Mr. Smyth, who I think lives in Berlin, does the union rate vary between \$1.30 and \$1.65 for these operations?

Mr. SMYTH. Only to the extent of experience. That is, a learner or beginner would come in at the lower rate until he accumulated enough knowledge.

Senator DOUGLAS. That would be a learner's rate. How much would the learner's rate be?

Mr. SMYTH. I would say, I couldn't say right offhand, but in the vicinity between \$1.35 and \$1.40 an hour.

Senator DOUGLAS. Between \$1.35 and \$1.40.

Mr. SMYTH. Yes, sir.

Senator DOUGLAS. What would be the rate for an experienced man?

Mr. SMYTH. It is \$1.37, sir, the beginner. The second class is \$1.62, and the third class is \$1.72.

Senator DOUGLAS. What percentage of the mills or lumbering operations do you have unionized, and perhaps I had better say lumber operations?

Mr. SMYTH. In the mill, in Brown Co. mill, in the production and maintenance workers, it is 100 percent organized. In the woods operation the bulldozer operators, the mechanics, and the crane operators and the truckdrivers are organized.

Senator DOUGLAS. In the camps?

Mr. SMYTH. A very small percentage, sir.

Senator DOUGLAS. So that in the main would you say that the lumber camps of New Hampshire are unorganized?

Mr. SMYTH. That is correct.

Senator DOUGLAS. May I ask the president of the Maine State Federation of Labor whether that is true in Maine? Are the lumber camps organized in Maine? Do you have a union scale for the camps there?

Mr. DORSKY. Very few; approximately 800 out of the total force.

Senator DOUGLAS. What is the total force?

Mr. DORSKY. I would say around 5,000.

Senator DOUGLAS. Do you have any information as to what the going rate for native labor is, first in New Hampshire, and second in Maine, in the camps for, first, a learner's rate and, second, the experienced man?

Mr. SMYTH. You have different amounts and varying classifications. First and most important in the largest influx of bonded

people are the so-called chain operators, or the woodcutter, the fellow that fells the trees. Then you have what we know as the dayworker, such as the cooks and the cookies, and the bull cook, and so forth. These rates all vary of course in accordance with their skill. I believe that probably the lowest rate in operation would be the cookie. That would be probably 80 cents an hour. The chain-saw operator is the highest paid.

Senator DOUGLAS. The men out in the woods are paid so much a cord now, are they, or an hourly rate?

Mr. SMYTH. That, sir, has been changed very recently, and at one time and right up until 2 years ago, it was an hourly rate insofar as the cord cutter was concerned. It has always been on the piecework basis, and for some reason unbeknown to us they vary it from an hourly rate now, and a cord rate both.

Senator DOUGLAS. I am trying to get at the basis of your contention. Is it this, that the director of employment security or other officials in New Hampshire are certifying that there is not an adequate supply of unemployed labor available at low-wage rates which are paid, and that as a result of these practices the wage rate has been progressively lowered over the last few years? Is that the basis of your contention?

Mr. SMYTH. That is correct.

Senator DOUGLAS. It is your contention that if a higher wage rate were paid, that you would be able to get the native citizens to work in the woods; is that correct?

Mr. SMYTH. Could I be permitted to give you an example?

Senator DOUGLAS. Yes; please.

Mr. SMYTH. At the maximum of 15 miles from the center of the city of Berlin, the Brown Co. started a job cutting wood in the so-called Jerrico area. The boys in Berlin, the chain-saw operators, who would commute between their homes naturally wanted to take that job. It was a setup such that it would save the company in putting in camps and they wouldn't need any camps. The boys up there went in to that Jerrico job, and they have tried it out and they couldn't make a living. So they quit.

Senator DOUGLAS. What were they being paid?

Mr. SMYTH. \$6 a cord, sir, at that job.

Senator DOUGLAS. And the previous rate had been how much? Was it \$7.50?

Mr. SMYTH. I don't think that they were ever willing to pay \$6 on that particular job, although I may be wrong. However, there were several different groups of people went into that job and quit. That job has been hung up now for 3 years, and it still isn't finished.

But the American boy or the American people from Berlin who are now working in Massachusetts would just love to get into the Jerrico Brook job if they could make a living, because they are right at home.

Senator DOUGLAS. When you say a living, how many cords a day would they do per man?

Mr. SMYTH. Well, an average man should put up 3 cords.

Senator DOUGLAS. \$18 a day is not enough?

Mr. SMYTH. Not when you have to pay for a chain saw, and you have to buy your own chain saw, and you have to buy a new saw, and it is out about every 2 weeks, at \$14 a saw.

Senator DOUGLAS. Well, in 2 weeks, that would only be a little over a \$1 a day expense of the saw.

Mr. SMYTH. You have to have your transportation back and forth. A chain saw itself will cost you \$450, a good chain saw.

Mr. ANGOFF. You don't work all year round, you know.

Senator DOUGLAS. You have to own your own chain saw. And that is not furnished you.

Mr. SMYTH. No, sir.

Mr. ANGOFF. A chain saw costs three or four hundred dollars, and some own two of them.

Mr. SMYTH. You have to maintain and equip that saw.

Senator DOUGLAS. I am afraid that we have all interrupted you.

Mr. SMYTH. That is the example that I wanted to give of that job, an example of what is happening to the Berlin woods worker. They couldn't be employed 15 miles from their homes.

To elaborate a little further on that, I am sure of this, that if that job was any farther away from the city of Berlin, and there were camps established in that Jerrico Brook, that the bonded men would be cutting that wood there at \$6 a cord. But there was no camp there, and you couldn't house them, and therefore the job was dropped.

Senator GOLDWATER. Senator, I wanted to pursue this question just a little bit further. I asked what the going rate is. Now, it is pretty evident, and if I am wrong correct me on this, that the only people we are talking about are the cutters.

Do the Canadians come in and do other jobs?

Mr. ANGOFF. Yes; and if you will permit some continuity, I think that we can get it.

Senator GOLDWATER. I think this is the particular place for this particular continuity.

Mr. ANGOFF. We have bulldozer operators, and we have cooks, and we have people coming in with equipment, and we have trucks all coming in from Canada.

Senator GOLDWATER. But he testified that the unions, or, let us put it this way, that the bulldozer operators and the crane operators—and I have forgotten 1 or 2 categories—were pretty well covered by union contracts.

Mr. SMYTH. That is for Brown Co. employees only.

Senator GOLDWATER. That is not general over the State of New Hampshire?

Mr. SMYTH. I think that I will have to go into an explanation there. The Brown Co. and all other companies sublet jobs for cutting wood. As we know them, they are jobbers. Probably they are better described here as contractors. These people have a contract with these companies to get out a certain cordage of wood, and they hire their own people. Those people are not organized, but they are not certified as a bargaining agency for the contractor or jobber. They far outnumber the people employed by Brown Co.

Senator GOLDWATER. Now, you have testified, and I may be off a few cents here, that the rate in these different skills varies from \$1.35 to \$1.65 an hour under union contracts.

Mr. SMYTH. \$1.72, sir.

Senator GOLDWATER. What do these companies pay the Canadians that come in?

Mr. ANGOFF. We have here, I think, the figures for most of your questions in documentary form.

Senator GOLDWATER. What is it?

Mr. ANGOFF. I want to answer your question by saying I don't know, for this reason: They have changes and you have a range. A range might be for any particular job, 85 cents to \$1.10. You might think some people are getting \$1.10, but they are actually getting only \$1. What happens is that the flood becomes the rate. Gradually, therefore, all of the Americans are driven out or quit.

Senator GOLDWATER. That would have been 75 cents under the Federal minimum-wage law.

Mr. ANGOFF. I took the figure of 85 cents. I mean the range set forth in the application and certificate. We have a range of \$1.10 to \$1.25 for blacksmiths. You might get an American blacksmith—

Senator DOUGLAS. You are not charging that the French-Canadians are being brought in to work for less than the American minimum wages, but you are charging that they are being brought in to work for (a) less than the union rate or (b) for less than the going non-union rate. Isn't that true?

Mr. ANGOFF. That is precisely correct.

Senator GOLDWATER. I want to know which of those two—whether it is the going nonunion rate or the going rate to Canadians—and I want to know what those are. Are they paying 50 cents less or 25 cents less or what are they paying?

Mr. ANGOFF. Let me handle the matter of rates for just a few minutes and then you will see what the problem is.

Senator GOLDWATER. I have some other questions here on this and what I am trying to get to is this: The State does not have anything to do then with the setting of any rates that are paid to any members of this profession in New Hampshire.

Mr. ANGOFF. Oh, yes.

Senator GOLDWATER. Where does the State get into it? You are covered by the Federal minimum-wage law, and the State doesn't have a minimum-wage law, and where does the State come into this wage picture where the man is not a member of a union operating under a contract?

Mr. CRAWFORD. I can explain that. The State employment division is supposed to set up prevailing rates. Now, in setting up those prevailing rates, we charge that they do not take into consideration the union scales which prevail with Brown Co. and other union mills. They go around the area, so called, and they pick and choose rates out of sawmills and other smaller enterprises. They establish a rate so low that the American woodsman cannot make a living at it.

In other words, by taking in these Canadian-bonded men, they get the wood cut quickly, and it means that the American woodsman cannot make a living. It is only over a short period of time.

Senator DOUGLAS. Let me ask you a further question: Do you further charge that the rate which Mr. Brown approves for the importation of Canadian labor is less than the going rate for nonunion labor in those occupations?

Mr. ANGOFF. Yes; and by far. Here is how it does—

Senator GOLDWATER. Let me finish this, because I think it is important. I want to say here I think it is very unfortunate that Mr. Brown's name is being brought into this. I am in great sym-

pathy with you people. I hope that Mr. Brown's name, as an individual, who happens to be up for an important job, could be left out of this discussion, but it has entered into it, and I am forced as a member of Mr. Brown's party, to set the record straight. I was hopeful that we could proceed, as Senator Smith had suggested, without getting into Mr. Brown's relationship. As long as it is in here, I think that we have to establish some points. I think that you will agree.

Now, if we want to leave Mr. Brown out of it, I am perfectly willing to stop my questioning and go on with it, because I think you gentlemen have something to argue about.

Mr. ANGOFF. Let us call him the director of this division, and it makes no difference whether his name is Smith or Brown or Jones.

Senator GOLDWATER. I don't think the State of New Hampshire enters into this. If the prevailing rate is union rate, then you gentlemen set the rate. If there is a prevailing rate other than the union rate, I don't know what it is, and evidently you don't. If it is not the State's responsibility, I do not think that we should be discussing Mr. Brown's job.

Mr. ANGOFF. Let us talk about what has been done in the last 2 years. First, we are told in a letter, and we are told verbally, specifically, "the bottom rate they quote on any job is a rate which is high enough to get at least some American labor."

We know this to be a fact. They go out and hunt up some derelect who is willing to work for a low rate.

Senator GOLDWATER. How many people are employed in the lumber industry in New Hampshire?

Mr. ANGOFF. I don't know. I would say that a few years ago there were at least 5,000 or more Canadians.

Senator GOLDWATER. Out of how many total?

Mr. SMYTH. May I answer that? In New Hampshire, in the particular location that we are situated in, in other words, Brown Co., which is a New Hampshire corporation, cuts most of their wood in Maine, and we are right on the border of Maine. To answer your question, how many are employed in New Hampshire would depend upon the operations, where they are. In other words, we have a crew today which is known as Bog Brook, a very small crew, but that is in New Hampshire; but if you went over the ridge, you would be in Maine. Right at the present time I don't think, and I may be wrong, but I don't think that there is over in New Hampshire itself at the present moment both Canadian bonded and American workers in excess of 1,000. That is at this time of the year.

Senator GOLDWATER. Let us take this time of the year, and let us take both New Hampshire and Maine together, because it is obvious that they operate as one, and how many people are employed in the woods at the present time. That is Canadians and Americans.

Mr. SMYTH. That would be difficult for me to say, but both Canadians and Americans in Maine, northeastern Maine and New Hampshire, I would say probably 6,000.

Senator GOLDWATER. And you say 1,000 of those would be Canadians at the present time?

Mr. SMYTH. There would be 4,000 Canadians.

Senator GOLDWATER. That is what I am trying to establish, the ratio. That is about 75 percent, and is that the ratio that would hold throughout the year?

Mr. SMYTH. I would say so.

Senator GOLDWATER. They would hire 75 percent Canadians in this lumbering operation?

Mr. SMYTH. My guess would be nearer 85 percent.

Senator GOLDWATER. Do you feel that the companies themselves make every effort to fill these jobs with domestic workers before they go looking for Canadians?

Mr. SMYTH. No, I do not.

Senator GOLDWATER. \$18 a day is a pretty fair wage, even if you have to buy that kind of equipment. A carpenter has to buy more than that equipment in order to work, and a plumber has that much equipment.

Mr. ANGOFF. Suppose you only work 6 months a year?

Senator GOLDWATER. Is that the period that they work? They work half the year?

Mr. SMYTH. Let me say this, sir: That at \$6 a cord, and if you have good cutting, that is, the wood is pretty thick, and you don't have to walk too far, and the conditions are good, you can make living or a good day's pay. But if you get into an area where the cutting isn't so good, and it isn't so thick, and you have to walk and go shopping around from tree to tree then you are in trouble. But you still get your \$6 a cord.

In other words, I don't know what the average would be over a period of time as to what their take-home money would be.

Senator GOLDWATER. If they work only 6 months a year, that is not too much money in the course of a year. I agree with you.

Is the union rate, then, to wind this up, the prevailing rate, or is that the rate that is paid to the majority of the workers?

Mr. SMYTH. No, sir; by far no.

Mr. ANGOFF. The union rate is deliberately ignored by the director, and we have a statement to that effect from him.

Senator GOLDWATER. Does he have to recognize the union rate?

Mr. ANGOFF. He doesn't whether he has to or not.

As the Brown Co. have unionized rates for certain occupations, they are listed below and are not necessarily included.

Now, to point out from the mouths of the operators themselves how this is handled, I am referring to quotations from an exhibit which is the meeting of the employer group on March 15, 1955.

At this conference there were present State and Federal representatives. We asked to be represented and they refused. These three gentlemen asked Mr. Tiffany, counsel for the operators, who I understand is here, whether or not we could be present and speak on this common problem. We also asked Mr. Gernes, a representative of the Federal Government. We were not invited. So they had their own party and here is what they said.

Just to demonstrate that Canadian bonded woodsmen are used to deflate wage rates, we are quoting some of this testimony. On page 50, and it is already in evidence, Mr. Arthur Gernes said:

I think what the Commissioner is after, you might at the beginning of the season certify that you intend to pay 85 cents an hour for a particular occupation, but in the course of operations you find that you cannot get the American

for 85 cents, and so it is necessary to pay 95 cents or \$1. So you bring in Canadians at the same rate. By that our record shows you intend to pay 85 cents. I think the Commissioner feels we should get the information as closely as possible, what you intend to pay domestics. If it is \$1 an hour, it should not be 90 cents, and it would tend to bring our range down; 90 cents within the range where maybe the minimum should be \$1 if most of you were paying \$1.

Mr. TIFFANY. Do you have any suggestions you would like to make?

Incidentally, by way of aside, I say that the filing of the resolution has already caused the employers to look into their own problems, and to start to clean up their own house, wherever it is necessary and can be done.

Mr. Tiffany, counsel, says—

Do you have any suggestions you would like to make?

Chairman FORTIER. I think what he said, in essence, is this: You have got a wage range of 90 cents, and if you find you are getting anybody for less than \$1, what we should have is a corrected rate, so subsequently, if we have the labor, we can say "This job pays a dollar now."

Mr. PAUL JONES. Leo, the point is this—take, we find on a blacksmith in most instances the prevailing rate is 90 cents to \$1. We take that as the range, 90 cents to \$1. We let Immigration know the range is 90 cents to \$1. Suppose you are paying \$1.10. We are left with 90 cents to a dollar, and you are paying \$1.10.

Chairman FORTIER. In other words, the order should be corrected at that point.

Commissioner COTE. You can see where it would tend to depress the wage level.

Mr. TIFFANY. Mr. Chairman, I will propose, at the end of this meeting we have a subcommittee of this group review this record and draw up comments and recommendations, to see if we can't be of some help along the lines Commissioner Cote suggested.

Now they recognize that the basis for the establishment of rates is wrong. Just to show you what we tried to do, we met with a Mr. Ducet, who is an employee in Berlin, N. H., employed by the security division, and by the director. We asked "How much do you pay bulldozer operators, and how did you get it?" He said "We just took a bunch of rates used by jobbers."

"The biggest operator in the woods is Brown Co., isn't it?" we asked. "Yes," he said.

"Did you include the Brown Co. rate?" we asked. "No," he answered. "Why not?"

"That would make it too high," he answered. "Why select all of the low ones?" we asked.

"That is the way we do it," he answered.

The employers know there is a problem and if we got together we could probably solve it in this way. Let the Immigration Department and let the State governmental groups and individuals and the employers, and us come in, and let us find out what the real rate is, and what it should be.

And once you establish a fair rate you will get all of the Americans you want, because there is money in those woods with that new equipment, and you don't have to take people down from Quebec 500 miles, to bring them to a location which is just 15 miles outside of the town of Berlin. You have all of the Americans you want. They are willing to work.

Now, there is another problem. The American worker is put at a serious disadvantage in this way, and I quote their own language in this employer hearing. A Canadian is about 20 percent better off than an American and he gets about a 20 percent handicap. It is a race where he gets a 20 percent start.

Senator DOUGLAS. You mean no withholding tax?

Mr. ANGOFF. Yes. Here is what happens, and it is a laughing matter up in Berlin, N. H. Every Canadian, and this may be a slight exaggeration, but it is the way we describe it, that comes into America to work in the woods has seven children. There is a magic about the figure 7. He has seven children. One, unfortunately, got killed and he had no children. He was killed and in the course of checking on him he had no children.

Senator DOUGLAS. It is true that the size of French-Canadian families historically, I think, has been the largest in the world.

Mr. ANGOFF. The Americans in the north woods do very well, too.

Senator DOUGLAS. If you go back to the original group of French-Canadians, in Canada at the time the British took Canada, and then take their multiplication increase, there is no population in the world that has expanded as rapidly as they have. I have been in the eastern townships of Canada, and families of 12 and 15 and in 1 case 24 children were not uncommon.

So that there may be slightly suspicious circumstances about every one having 7, but certainly 40 years ago 7 would have been roughly the average.

Mr. ANGOFF. Some have 17 but none of them have none. Let me say this in all seriousness:

Most of the people for whom we are speaking, the so-called American woodsmen, but not all of them, are of French-Canadian descent. We are not against the Canadians as such, and we don't want to cause any hard feeling between Americans and French-Canadians.

Senator DOUGLAS. Is it true that the city of Berlin, although it has a German name, has a population which is 80 percent French-Canadian in derivation?

Mr. SMYTH. That would be a good estimate.

Senator DOUGLAS. Have you ever thought of changing the name of the city to Paris?

Mr. ANGOFF. You have to pronounce it "Búrr-lyn" and they get angry if you say "Bir-ly'n."

Mr. SMYTH. There was an attempt in the First World War to change the name to Bainsboro, and they put it to referendum vote and they voted it down.

Mr. ANGOFF. Let me go on with this 20 percent to show you what an advantage these people get. At the hearing presided over by Governor Muskie, in Maine, person after person interested in the woods got up and said these things about the handicap received by Canadian woodsmen. Mr. Tiffany, the excellent counsel for the employers group, at the employer meeting, started out by saying—

Another question was brought up, Mr. Chairman, and I don't know whether there is very much the industry can do to help, but it might be worth while exploring. This is the charge that there was mismanagement of taxation. They mention the number of dependents, and the amount of taxes to be withheld by the employer from the employees' wages in this country, the Federal taxes.

Mr. LANG. I don't know to what extent industry could be of help there, but I would be glad if anybody has any ideas about what could be done in that situation. A man comes in from Canada and he makes a statement he has 5 or 6 dependents, and while he may have 1 or 2 or none at all. Then when it is time for paying taxes, he is outside the country, and that I have been told. The internal revenue feels it is a situation beyond them to cope with through their collectors. I don't know if there is anything that the industry could do, but if there are any suggestions now would be a good time to make them.

Going on:

Commissioner COTE. I can see where it might. I can see where the domestic would holler like the dickens if the Canadian cut the same cordage, and the native goes home with three-fourths or two-thirds less pay.

Commissioner GEORGE. The native could do the same thing.

Commissioner COTE. But he couldn't get away with it. The Canadian can.

Commissioner FORTIER. I think the result the employer is primarily interested in is getting the wood cut. If any individual wants to come over from Canada and on the form he perjures himself, on the basis that he has a wife and several children, which he may or may not have, for the purpose of evading taxes, it is not a matter for this Commission; it is not a matter for the industry itself. I don't think it is a matter for the industry itself.

I disagree, by the way.

I don't think it is a matter for our policing. As Mr. Lange—of northern Somers County—said, these people should only be allowed one dependent, and well, I mean, in the first place, it is unconstitutional. That answers it, I think.

In this rather incoherent approach, we see that everybody shirks responsibility for this tax evasion.

Now we come to a third point where the Canadian has an advantage, and we will again use the testimony of the company.

Canadians, unfortunately, or many of them, are willing to live under worse conditions than Americans. The situation is improving some, but in justification let us see why.

The Canadian owns a farm, and he owns a little piece of land and he owns a home in Canada, and he has a family in Canada. He wants to make money in the United States and go back and improve his properties in Canada. He wants to save every dime. The American lives in the woods, and he probably goes home every night, or every weekend. He pays taxes to the Federal Government, and he pays taxes in this community, and he usually owns a home. He buys from the merchants in the community, and the Canadian doesn't do anything of the kind. As a rule, once he goes into the woods, he stays there. He doesn't buy anything in the community. He doesn't pay any taxes to anyone. The merchants aren't in love with these Canadians. But once he gets in the woods, quite often he is willing to "shack" and we will explain what "shacking" means later. Quite often in order to avoid paying \$1 or more a day for board and room, he is willing to hole up with 2 or 3 others, sometimes even a horse is in the same shack, and cook his own meals. Conditions aren't sanitary, and the employers know it because they took that matter up. There, too, the Canadian has an advantage. He won't live in many situations under the same conditions that an American would insist on.

You can get a lot of Americans to work in the woods, but they won't be pushed around. Naturally, the jobber who is trying to cut wood cheaply doesn't care how these people live. He wants to get his wood cut as cheaply as possible.

The employers meeting in the same committee took up this question intelligently. They recognized this problem and they asked for co-operation between the State sanitation authorities, and Federal authorities, and others to improve this condition of shacking. That is, to improve the condition of the Canadian in the woods. Many Americans will not live in mixed camps, and they will not live with some Canadians. As a matter of fact, Senator, you may remember the day when the woodsman had to sit in the back of the train. We didn't have DDT in those days. The American today wouldn't live in the

woods under those conditions. The large companies like the Brown Co., will build good, clean, portable camps. The small jobber won't, and the large companies job out so many of these jobs. Conditions in some cases are horrible.

When you take a visit to the woods, you usually go to the nearest camp, and that is a model camp. It is a beautiful camp. But if you go into the woods deeply as some of us have, you will see some awful conditions. That is where Mr. Smyth and I cut wood and fish on occasion. We saw an abandoned lumber camp of the Brown Co., and we went up for a walk one day and we saw an old abandoned bus deep in the woods, and here were these Canadians living in that bus. For as long as we can remember, almost, they were eating, living in that bus. An American won't put up with those conditions.

So you have a combination of the tax handicap and the camp situation, and everybody puts up his hands and says, "Let Uncle Sam do it."

In the meantime the Canadian has an advantage over the American. You have the deflation of the wage scale by the method of setting scales, and you have these conditions in the woods to contend with.

The American farmer in the north country has been affected. Now the American farmer can only farm a very few days of the year in the Northeast. The growing season up there is very short. In the winter he has a lot of time on his hands. He cuts wood or uses his truck to haul wood. We now find Canadians coming in in droves and taking away the jobs of these farmers and truck owners so that every day they storm our doors up there seeking assistance. I get telegrams and they come to Mr. Smith's home, "Save us and help us, we have got to do something."

Thus we have the following petition for investigation directed to Employment Security Division—

We the undersigned Americans, trucking and equipment owners—
and this is in New Hampshire—

make the following protest against the unrestrained use of Canadian trucks, truckdrivers and helpers, because the use of this Canadian labor and trucks have the effect of destroying our chance of a livelihood in the woodworking industry. The Canadians by reason of their taking jobs at substandard prices make it impossible for our American truckers and helpers to make a living or to meet our operating costs.

We protest the further use of Canadian trucks and truckdrivers and helpers in the unfair way that they are being used to exploit and depress the standard that should be met and complied with so that we can make a decent living and meet the costs of operating our equipment. We demand that a study of this deplorable situation be made by the Employment Security Division with a view to correcting it in the interest of American workers and small-business men.

Nothing was done. There are 47 names on that.

In New Hampshire, if you will read the testimony given to Governor Muskie, you will be amazed at how many jobs are taken away. They are even going into the taxicab industry.

Senator DOUGLAS. Are these bonded laborers?

Mr. ANGOFF. Bonded Canadians are coming into the northern country to drive taxis and operate taxis.

Senator GOLDWATER. Are they on a 6-month visa?

Mr. ANGOFF. Yes; the same, generally speaking.

Mr. SMYTH. The bond is good for 6 months, sir.

Senator GOLDWATER. Do the immigration people keep a careful check on them?

Mr. SMYTH. On the 6 months, yes, I would say so.

Senator GOLDWATER. Do you have any evidence that they are staying in, as we have had in the West with our people?

Mr. ANGOFF. They want to go home with the money they earn and do some haying or improving on their property, and then they come back again, or new ones come. We don't have the same problem you have.

Senator GOLDWATER. Is there any period that they have to stay out of the country or can they go back, and come back immediately?

Mr. ANGOFF. They come back and I think they go through the procedures that are necessary. We don't have that kind of a situation that you have in the southern border.

Now, we have people coming to us saying that they are afraid they will lose their jobs as garage mechanics because their bosses—and they call them their bosses—have put in applications for mechanics in garages. You asked a question about unemployment in New Hampshire. Let me tell you something—

Senator DOUGLAS. Put in applications for Canadian labor, you mean?

Mr. ANGOFF. Yes; to take garage mechanics' jobs.

In southern New Hampshire we have had textile mill after textile mill close, and the trend is continuing. I think those people who think it is going to stop are seriously mistaken. They are going. We have a great many young people and older people who might go into these other things and these other tasks where jobs are being filled by Canadian bonded men. But why go up there? They haven't got a chance.

Many of the young people don't stay in northern Maine and northern New Hampshire. They go to Boston and New York. There is no opportunity for them. Most of these large paper companies justifiably are becoming more and more efficient, which means putting in the machines to eliminate jobs. We can't stop that, and we don't want to stop that. But these young men can't go into the woods so they go elsewhere. That vast potential of good woodcutters are leaving the area.

Senator SMITH. I would like to at this point make an inquiry. I am very much confused. I thought I came here this morning to pass on the pros and cons of a resolution that calls on us to make a full and complete study and investigation of these things. Now, are we discussing the passage of a resolution to look into this thing and have a proper committee appointed to study the matter, or are we debating the merits of it right now? I don't think that we have the time to go into all of these details.

I am completely confused about it. Did you come here to protest against Mr. Brown's nomination? I want to find out about that because if that is the case we have a different matter.

Senator DOUGLAS. The hearings on Mr. Brown are to be next week. The Senator from Maine, who was the originator of the investigation, made it clear that her resolution had nothing to do with the question of Mr. Brown. Mr. Brown's name has come into it simply because he happens to be the director of employment security of the State of New Hampshire.

The Senator from New Jersey I do not think was here when I opened the hearing and made that statement. I said that I would like to stress that this is a preliminary study by the Subcommittee on Labor, to determine whether there is need for a full investigation to be provided under Senate Resolution 98, if adopted by the committee and the Senate.

But obviously we cannot decide whether or not there should be an investigation until we get some idea of the seriousness of the problem, if it is serious, and some idea of the nature of the difficulty. This is really preliminary.

Mr. ANGOFF. We are very grateful to Senator Smith for introducing the resolution. We think the mere introduction of the resolution is very helpful in bringing all of the parties concerned together to get a satisfactory and amicable solution to the whole problem.

We want to present sufficient facts to this committee so that you can decide whether or not a further investigation is necessary, but we want to give you what we consider to be a prima facie case justifying further action.

Senator DOUGLAS. A further detailed investigation would involve the sending of a large staff into the area, and the computation of wage rates and the study of immigration practices.

Senator SMITH. We are to decide whether to do that.

Mr. ANGOFF. We have two other problems which come up incidental to what we have been discussing, and one is the matter of overtime, that is, overtime payment.

On the Fourth of July, Mr. Smyth was in the woods, and he heard the power saws going from sunup to long after sunset. The Canadians work long hours, and the Americans will not work all of those hours. Every time we ask, "Do you get overtime?" we are told by some, "No; we don't get proper overtime."

We have reason to believe that it is impossible for us to get into the camps and talk to the Canadians and get signed statements. We have reason to believe that they are not being paid the proper overtime, especially among these small jobbers. The big companies we feel probably are paying the proper overtime rates, but the small ones don't.

The Americans tell us that the Canadians are working without the proper application of the overtime principles as established by a fair-labor standards law, and so you have another possibility for giving these people a handicap, that is, a disadvantage over the Americans.

Finally, we have a very important problem, and I think all of us are concerned with conservation. We believe that the wholesale importation of Canadian labor, and the permission to bring in Canadian equipment, and the granting of contracts to Canadian jobbers, can constitute a menace to our woods. We are all concerned with our growing trees, or should be. We are concerned with our watershed. That is particularly in northern New England.

We need our water and we need our wood, since we have no other natural resources, and we don't even have good soil. We have a lot of stones in many places. So we have got to save our woods and our watershed.

The Canadians aren't too interested in our trees and our watershed. They are going home.

The employers admit it themselves. They talk about how they let contracts to the Canadians, who cut everything. It might take hundreds and hundreds of years to make that land profitable again.

Senator DOUGLAS. The chairman remembers the time when the White Mountains were cut over, and when the father of the present Secretary of Commerce, Mr. John W. Weeks, who was then Congressman from Massachusetts and later became Secretary of War, I believe, introduced a bill for the purchase of this land and the creation of a national forest in the White Mountains and the reforestation of the White Mountains. It was to be done under Government auspices.

Does Mr. Smyth remember that?

Mr. SMYTH. I do.

Senator DOUGLAS. Has the chairman stated the facts correctly?

Mr. SMYTH. Yes, sir.

Senator DOUGLAS. What you are saying is that the land which is not in the national forest is again being cut over.

Mr. ANGOFF. The national forests—they watch the cutting there very carefully, and there is real selective cutting in the national forests. We wish that all of the farmers and all of the woodcutters would cut properly. As a matter of fact, we are starting classes on our own for the American woodsmen so that they will treat the matter of conservation very seriously.

An American bulldozer operator will go around a little tree, and the other fellow very often won't. We are trying to inculcate and encourage that approach to conservation.

Just to show you what the problem is as far as the employers are concerned, the attitude of the Canadian bonded woodsmen toward conservation and the attitude of those bringing the equipment in from Canada, Mr. Tiffany said this. Mr. Tiffany recognizes some of our problems. [Reading:]

Yes, something was said about an attitude of exploitation. I think that was intended to mean, not only the attitude of the Canadian toward the United States laws, but also toward timber conservation. Has anything been done in Maine with reference to timber conservation, or by the companies, which help to preserve the forests of Maine against exploitation if Canadians come in and cut? How many companies here practice, well, good forest practices in cutting operations?

Mr. MYLES STANDISH. That would be governed by company policy. Any Canadian would have to cut in accordance with his company's policy or he would not be there.

Chairman FORTIER. I think these Canadians buying a township and stripping it, walking out with the logs, are not thinking of conservation.

Mind you, this is not a unionman talking, or these are not union-men. These are employers and Government officials.

Mr. WILLIAM HILTON (Great Northern Paper Co.). We had one instance.

Mr. WING. I could spread a little light on that. One of our lots in Jackman, Hollingsworth & Whitney, sold to 2 Jackman residents, 2 years ago, Pomerleau and Sands. Pomerleau is not in the lumber business; he is a storekeeper. Sands is in and out. They turned around and sold it to a Canadian crowd. Those Canadians did cut, very heavy. They peeled off everything merchantable, and in the distance it did look very bare. I think that is where a lot of the talk around Jackman came from.

By the way, the people in Jackman, Maine, are anti-Canadian labor because of the things that I have been telling you, and especially because of this wholesale stripping and cutting. The natives are pretty

interested in their forests, and everybody is part of the fire brigade and if a fire breaks out there, they all run to the woods, and they want to save the woods. The people don't own them. They want to make sure those trees are there for their children and their children's children. So they oppose this business of Canadian exploitation.

About a year ago now, the same Pomerleau and Sands tried to buy a piece at Moose River which the company owned. We did take the attitude we were not interested in selling, for that reason; it led to criticism and was poor forest practice. They offered about \$2 an acre more than we were asking, but we turned it down, for that reason. I did have our forester make an inspection of the land.

Now we have here a great many documents, and we want to sum up, because we think we have said enough and there are some others who might want to speak. We would like to sum up in the following manner:

First, we are not here as antagonists. We like our employers up there, and we get along. Sometimes we have to urge them some, and sometimes we negotiate pretty vigorously. But we end up with a mutually satisfactory contract.

As far as the Brown Co. is concerned, we have excellent relations with them and we have lived under various presidents, including Lawrence Whittmore, the former president of the Federal Reserve Bank in New England. We have lived with them under other presidents.

However, that company and others will not permit the same type of enlightened thinking when it comes to the woods. There is a mental roadblock there, a psychological roadblock. They don't want to let anybody else look into the woods problems.

We said that we have helped these companies with our approach in their factories, and in their mills, and in their plants, and in those parts of the woods operations where we have members. We encourage clean living in the woods, and we encourage clean housing in the woods, and we encourage conservation in the woods. We encourage more efficiency so as to lower the unit cost of production in the woods as we do in the plants. We want to work with them as a team. But we cannot do it as long as they discourage any new look at this whole business of woods operations.

We had a serious problem during the war because we didn't have enough American woodcutters, and we had to use German war prisoners and we had to import a great many woodcutters from Canada, where there was a shortage also.

One reason for our being here is the American operators' attitudes toward the new situation. They won't recognize that we now have factories in the woods. They won't recognize that the American woodcutters are the best in the world. We are horrified when we find people speaking for the employers, writing letters to newspapers and making statements such as they made in their own meeting, that the Americans are afraid of a blister, and the Americans are afraid to work, and the Americans are afraid of the forest. The American went into the jungle and licked the Japs, and he is not afraid of a blister in our own woods.

The American knows how to handle equipment, and we don't need too many outsiders to come in and do that kind of work for us. American ingenuity doesn't start with the employers, but it cuts across

every phase of American life. You will find these American woodsmen are grand people, good workers, and do a good job.

To demonstrate, when the Massachusetts Authority, which is a private authority, was set up to build a thruway across Massachusetts—and they are paying \$21,000 a day interest on the bonds long before the road is built—they wanted the best woodcutters and the best contractors and the best workers anywhere in the world or anywhere they could find them, to get this road started and rolling so that they wouldn't have to pay this \$21,000 a day before any tolls started to come in. Who did they come to, to cut these trees? They came to our New Hampshire and Maine American woodsmen, and they are doing a competent job.

When the telephone companies and others want wood cut rapidly and cleanly and safely so that we won't have any forest fires or stripping, they come to the American woodsman.

We therefore thank you for your consideration, and we will introduce, if you will permit us, a vast amount of material in one lump.

Senator DOUGLAS. Do you have anything else?

Mr. ANGOFF. Could we introduce this evidence?

Senator DOUGLAS. Yes.

(The material referred to follows:)

DIVISION OF EMPLOYMENT SECURITY,
Concord, N. H., January 28, 1954.

Mr. PHILIP SMYTH,
Berlin, N. H.

DEAR BABE: Mrs. Wilder and I discussed the questions you raised with Mr. Arthur Gernes, regional director of the Bureau of Employment Security and the next man up the line from us so far as our Federal connections are concerned, Wednesday.

He tells us that Maine handles its wage rate certification on about the same basis that we do. Specifically, the bottom rate they quote on any job is a rate which is high enough to get at least some American labor. He shares with me extreme reluctance to get in any kind of a wage setting deal, but both of us feel that the present system isn't entirely satisfactory for some of the reasons you outlined. If some sort of a wage setting board could be set up by area or for the whole border country, a big step toward getting the matter straightened out would be taken. I suppose, however, that no such board could come into existence until labor in this field was organized and strong enough to demand from management the setting up of such a board. I take it from the Berlin Reporter's story that you are already taking steps to do some substantial organizing in that field.

In regard to the switch at Sturtevant Pond from a cord rate to an hourly rate, as I told you we have no jurisdiction since it is located in Maine. However, I am informed that this is not an unusual practice, that is, a jobber putting men on a cord rate through the thin stuff and holding a carrot in front of them in the form of a better "chance." Then, when they get to the good cutting, he switches over to an hourly rate.

You said that you intended to discuss this situation with the Brown Co. at an early date and would let me know how they explained the change. I should be very interested to know what they have to say about it.

The matter of bonded Canadians being switched from one job to another after they get to this side is primarily a matter of policing, as I think you agree. So far as I know, none of the agencies interested in the problem presently have the staff necessary to do a real policing job. About all we can do is take prompt and strict action when we learn about a violation. This we will continue to do to the extent we are able and also to the extent Immigration cooperates. In a recent case, Immigration chose to believe the employer's story and thereby knock the props out from under what we thought was a good solid violation case.

As to the annual meeting of woods employers which we mentioned I am informed that it does not deal with wage rates. Its primary concern is with overall and particular quotas of bonded men to be authorized in the coming year.

I am glad you stopped by and I think we think alike about a good many of the problems. But my hands are tied in regard to effecting cures in most instances. I do say this, however. Blasting the division and individuals in it in the press, unless it is manifest they are delinquent in their duties and are not properly performing within the limitation placed upon them, isn't likely to speed solution. I think we can get further by sitting down and talking over the problem between ourselves. I will agree that there are occasions when public servants are doing less than they should, or not doing things properly and need prodding. I don't think in this instance, however, that that sort of prodding is going to do anything but make a lot of people unhappy.

Please keep in touch with developments and I shall certainly do everything I can to give you a hand.

Sincerely yours,

NEWELL BROWN.

PETITION FOR INVESTIGATION TO EMPLOYMENT SECURITY DIVISION

We, the undersigned American Truck & Equipment Owners, make the following protest against the unrestrained use of Canadian trucks, truckdrivers, and helpers, because the use of this Canadian labor and trucks have the effect of destroying our chance of a livelihood in the woodworking industry. The Canadians, by reason of their taking jobs at substandard prices, makes it impossible for our American truckers and helpers to make a living, or to meet our operating costs.

We protest the further use of Canadian trucks and truckdrivers and helpers in the unfair way that they are being used to exploit and depress the standards that should be met and complied with so that we can make a decent living and meet the costs of operating our equipment.

We demand that a study of this deplorable situation be made by the employment security division with the view to correcting it in the interest of American workers and small-business men * * *

(Signed by 47 truck and equipment owners.)

Brown Co. woods department wage rates

UNION MEMBERS

| | Weekly hours | Hourly rate | Take-home pay |
|----------------------------------|--------------|-------------|---------------|
| Bulldozer operator: | | | |
| 1st class..... | 48 | \$1.72 | \$89.44 |
| 2d class..... | 48 | 1.62 | 84.24 |
| Beginner..... | 48 | 1.37 | 71.24 |
| Shovel or crane operator: | | | |
| 1st class..... | 48 | 1.72 | 89.44 |
| 2d class..... | 48 | 1.62 | 84.24 |
| Beginner..... | 48 | 1.37 | 71.24 |
| Machinist..... | 45 | 1.75 | 83.13 |
| Mechanic: | | | |
| Leader..... | 45 | 1.79 | 85.03 |
| 1st class..... | 45 | 1.75 | 83.13 |
| 2d class..... | 45 | 1.67 | 79.33 |
| Beginner..... | 45 | 1.44 | 68.40 |
| Welder: | | | |
| 1st class..... | 45 | 1.75 | 83.13 |
| 2d class..... | 45 | 1.67 | 79.33 |
| Beginner..... | 45 | 1.44 | 68.40 |
| Truckdriver (pulpwood): | | | |
| 1st class..... | 48 | 1.49 | 77.48 |
| Beginner..... | 48 | 1.39 | 72.28 |

NEW HAMPSHIRE EMPLOYMENT SERVICE BUREAU

Classification for skilled Canadian woodsmen

BERLIN

| Classification | Range of rates | Usual hours per week |
|---------------------------------------|--------------------------------------|---|
| Blacksmith..... | \$1.10 to \$1.25..... | 48 to 54. |
| Bull cook..... | \$0.84 to \$1..... | 54. |
| Bulldozer operator..... | \$1.32½ to \$1.72..... | 48 to 54. |
| Cant dog man..... | (1)..... | (1). |
| Chopper, logs: | | |
| Softwood (cut only)..... | \$8 to \$10 per thousand..... | 48 to 54. |
| Hardwood (cut only)..... | \$8 to \$16 per thousand..... | Do. |
| Softwood (cut and skid)..... | \$10 to \$14 per thousand..... | Do. |
| Hardwood (cut and skid)..... | \$11.50 to \$14 per thousand..... | Do. |
| Rough pulp cutter (stump piled)..... | \$5 to \$7 per cord..... | Do. |
| Rough pulp cutter (yarded)..... | \$6 to \$8 per cord..... | Do. |
| Peeled pulp cutter (stump piled)..... | \$7 to \$9.50 per cord..... | Do. |
| Peeled pulp cutter (yarded)..... | \$8.50 to \$10.50 per cord..... | Do. |
| Boltwood cutter (yarded)..... | \$6.50 to \$8 per cord..... | 48 to 54, 39 inches by 50 inches, re- spectively. |
| Clerk..... | \$1 to \$1.53..... | 48 to 60. |
| Clerk-sealer..... | \$1.15 to \$1.25..... | 48 to 54. |
| Cook..... | \$1 to \$1.28..... | 60 to 84. |
| Cookee..... | \$0.88 to \$0.98..... | 60 to 77. |
| Crane or shovel operator..... | \$1.32½ to \$1.67..... | 48 to 60. |
| Crane or shovel operator helper..... | \$1 to \$1.25..... | Do. |
| Feeder..... | \$0.85 to \$0.94..... | 56 to 60. |
| Foreman..... | \$1.50 to \$75 weekly..... | 48 to 54. |
| Foreman assistant..... | \$1.14 to \$1.52..... | 48 to 60. |
| Sealer..... | \$1.40 to \$1.50, \$75 weekly..... | 48 to 54. |
| Swamper..... | \$1 to \$1.10..... | Do. |
| Teamsters, 1 horse..... | \$1 to \$1.25 ² | 48 to 54. ² |
| Teamsters, 2 horse..... | do. ² | Do. ² |
| Tractor driver..... | \$1.32½ to \$1.55 ² | Do. ² |
| Tractor driver helper..... | \$1 to \$1.37 ² | 48 to 60. ² |
| Truckdriver..... | \$1 to \$1.49 ² | 54 to 60. ² |
| Truckdriver helper..... | \$1 to \$1.25..... | Do. ² |
| Woods machine mechanic..... | \$1.67 to \$1.72..... | 48 to 54. |

¹ No orders except as noted.

² These occupations are usually paid on piece-rate basis, but the hourly rates quoted are guaranteed rates. However, workers generally average more per hour than the guaranteed base wage.

In determining the rates above, information was assembled from as many different employers as was possible to get the information from. A single rate either below or above the majority was deleted. Therefore, the rates are those which have been prevailing in the area during the recent months by the majority of employers.

As the Brown Co. have unionized rates for certain occupations, they are listed below, and are not necessarily included above.

| | Beginners | 2d class | 1st class | Hours |
|-------------------------------|-----------|----------|-----------|-------|
| Bulldozer operator..... | \$1.37 | \$1.62 | \$1.72 | 48 |
| Crane or shovel operator..... | 1.37 | 1.62 | 1.72 | 48 |
| Machinist..... | | | 1.75 | 45 |
| Woods mechanic..... | 1.44 | 1.67 | 1.75 | 45 |
| Welder..... | 1.44 | 1.67 | 1.75 | 45 |
| Truckdriver (pulpwood)..... | 1.39 | | 1.49 | 48+ |

Other union rates of comparable jobs:

| | |
|--------------------------------------|--------|
| Truckdrivers, trailers..... | \$1.64 |
| Truckdrivers..... | 1.64 |
| Truckdrivers, municipal..... | 1.58 |
| Truckdrivers, helpers (loaders)..... | 1.51 |
| Mechanics..... | 1.75 |
| Construction laborers..... | 1.55 |
| Municipal laborers..... | 1.46 |
| Paper mill laborers..... | 1.45 |

Classification for skilled Canadian woodsmen—Continued

LACONIA, N. H.

| Classification | Range of rates | Usual hours per week |
|---|-----------------------|------------------------|
| Chopper, logs: softwood (cut only)..... | \$8 per thousand..... | 40 to 48. |
| Teamsters, 2-horse..... | \$1..... | 40 to 48. ² |

LITTLETON

| | | |
|---|--------------------------------------|-----------|
| Blacksmith..... | \$0.85 to \$1.25 per hour..... | 40 to 70. |
| Chopper, logs: softwood (cut and skid)..... | 6 cords, \$9.50 thousand 7 per cord. | 48. |
| Rough pulp cutter (stump piled)..... | \$6 per cord to \$7 per cord..... | 48. |
| Rough pulp cutter yarded..... | \$12 per cord..... | 48. |
| Swamper..... | \$1 per hour..... | 40. |
| Tractor driver..... | \$1.25 per hour..... | 54. |

² These occupations are usually paid on piece-rate basis, but the hourly rates quoted are guaranteed rates. However, workers generally average more per hour than the guaranteed base wage.

VP-N-01-1402

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt., September 7, 1954.

Mr. HARRY PARR,

President, New Hampshire Federation of Labor,
Post Office Box 356, Hampton, N. H.

DEAR SIR: There is attached copy of order filed with the State employment service by Brown Co., of Berlin, N. H., who has submitted a petition to this office for permission to import 400 skilled Canadian woodsmen for the 6 months' period beginning October 1, 1954.

If, after review by the regional director, Bureau of Employment Security, United States Department of Labor, 18 Oliver Street, Boston 10, Mass., after consultation with the appropriate State director, it is determined that any of the wage rates indicated in the attached order are not the prevailing wage rate for the positions indicated, in the area of employment, the importer will be accordingly notified by the regional director. Importations will not be authorized until the importer has agreed to pay the prevailing wage rate.

After review, kindly inform this office whether your organization has any objection to the importation. If no reply is received by September 17, 1954, it will be assumed that there is no objection.

Very truly yours,

E. E. SALISBURY,
District Director, St. Albans District.
By J. W. TRUDELL,
Acting Chief, Inspections and Examinations Branch.

LIST OF OPERATIONS IN NEW HAMPSHIRE

NEW HAMPSHIRE STATE EMPLOYMENT SERVICE,
112 Pleasant Street, Berlin, N. H.

(Attention of manager.)

I wish to place an order for the following woodsmen for our operations in Millsfield, Millsfield; Bog Brook, Cambridge; and Jericho Brook, Berlin. This order covers woodsmen for the period beginning October 1, 1954, or as soon as conditions permit.

| Number | Classification | Hourly rate | Number hours per week |
|--------|----------------------|--------------------|-----------------------|
| 1 | Blacksmith..... | \$1.16-\$1.25..... | 54 |
| 19 | Choppers or cutters: | | |
| | Rough pulpwood: | Rate per cord | |
| | Stump piled..... | \$5.50-\$6..... | 48 |
| | Yarded..... | \$6-\$6.50..... | 48 |

Workers will be paid time and one-half for hours over 40 per week, except for seasonal work. Charge for board and lodging will be \$2 per day. Referrals should be made to Brown Co., Woods Employment Unit, located at 650 Main Street, Berlin, N. H.

Date: August 13, 1954.

Company: BROWN Co.
Per J. LANG.

VP-N-01-1543

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt., September 27, 1954.

Mr. HARRY PARR,

President, New Hampshire Federation of Labor,
Post Office Box 356, Hampton, N. H.

DEAR SIR: There is attached copy of order filed with the State employment service by Nadeau Lumber Co., Inc., of Berlin, N. H., who has submitted a petition to this office for permission to import 45 skilled Canadian woodsmen for the 6 months' period beginning October 1, 1954.

If, after review by the regional director, Bureau of Employment Security, United States Department of Labor, 18 Oliver Street, Boston, Mass., after consultation with the appropriate State director, it is determined that any of the wage rates indicated in the attached order are not the prevailing wage rate for the position(s) indicated, in the area of employment, the importer will be accordingly notified by the regional director. Importations will not be authorized until the importer has agreed to pay the prevailing wage rate.

After review, kindly inform this office whether your organization has any objection to the importation. If no reply is received by October 7, 1954, it will be assumed that there is no objection.

Very truly yours,

E. E. SALISBURY,
District Director, St. Albans District.
By J. W. TRUDELL,
Acting Chief, Inspections and Examinations Branch.

WOODSMEN ORDER

NEW HAMPSHIRE STATE EMPLOYMENT SERVICE,
Berlin, N. H.

(Attention of manager.)

I wish to place an order for the following woodsmen for our operation in Wild River, Coos County, N. H. This order covers woodsmen for the period beginning October 1, 1954.

| Number | Classification | Hourly rate | Number hours per week |
|--------|--------------------------------|--------------------------|-----------------------|
| 1 | Bulldozer operator..... | \$1.44 | 48 |
| 40 | Choppers or cutters: | <i>Rate per thousand</i> | |
| | Softwood, cut and skidded..... | 10.00 | 48 |
| | Hardwood, cut and skidded..... | 12.00 | 48 |
| | | <i>Rate per cord</i> | |
| | Rough pulpwood, yarded..... | 6.00 | 48 |
| | Boltwood, yarded..... | 8.00 | 48 |
| | | <i>Hourly rate</i> | |
| 1 | Cooke..... | 0.98 | 63 |
| 2 | Crane or shovel operator..... | 1.25 | 48 |
| 1 | Foreman..... | 1.50 | 48 |

Workers will be paid time and one-half for hours over 40 per week, except for seasonal work. Charge for board and lodging will be \$2.50 per day. Referrals should be made to Leo Nadeau, located at Pleasant Street, Berlin, N. H. September 18, 1954.

NADEAU LUMBER Co., INC.,
Per J. T. BLAIS, *Its Attorney.*

VP-N-01-1418

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt., September 9, 1954.

Mr. HARRY PARR,
*President, New Hampshire Federation of Labor,
Post Office Box 356, Hampton, N. H.*

DEAR SIR: There is attached copy of order filed with the State Employment Service by Atlas Plywood Corp., of Greenville, Maine, who has submitted a petition to this office for permission to import 90 skilled Canadian woodsmen for the 6 months' period beginning October 1, 1954.

If, after review by the regional director, Bureau of Employment Security, United States Department of Labor, 18 Oliver Street, Boston, Mass., after consultation with the appropriate State director, it is determined that any of the wage rates indicated in the attached order are not the prevailing wage rate for the position (s) indicated, in the area of employment, the importer will be accordingly notified by the regional director. Importations will not be authorized until the importer has agreed to pay the prevailing wage rate.

After review, kindly inform this office whether your organization has any objection to the importation. If no reply is received by September 20, 1954, it will be assumed that there is no objection.

Very truly yours,

E. E. SALISBURY,
District Director, St. Albans District.
By J. W. TRUDELL,
Acting Chief, Inspections and Examinations Branch.

NEW HAMPSHIRE STATE EMPLOYMENT SERVICE,
Berlin, N. H.

(Attention of manager.)

I wish to place an order for the following woodsmen for our operation in Clarksville and Pittsburg, N. H. This order covers woodsmen for the period beginning October 1, 1954.

| Number | Classification | Hourly rate | Number hours per week |
|--------|--------------------------------------|-----------------------------------|-----------------------|
| 1 | Blacksmith..... | \$1.10 | 48-54 |
| 43 | Choppers or cutters: | <i>Rate per 1,000</i> | |
| | Softwood, cut and skidded..... | \$10.00-\$14.00 | 48-54 |
| | Hardwood, cut and skidded..... | 12.00-14.00 | 48-54 |
| 1 | Crane or shovel operator..... | <i>Hourly rate</i> 1.32½-1.57½ | 48-54 |
| | Crane or shovel operator helper..... | 1.25 -1.35 | 48-54 |
| | Foreman (\$75 to \$96 a week)..... | 1.50 | 48-56 |
| | Foreman assistant..... | 1.22 -1.91 | 54-60 |

Workers will be paid time and one-half for hours over 40 per week, except for seasonal work. Charge for board and lodging will be \$2.25 per day. Referrals should be made to Keith Parker, Atlas Plywood Corp., located at Pittsburg, N. H. August 12, 1954.

ATLAS PLYWOOD CORP.,
Per GUY L. MCCUIN,
Manager.

VP-N-01-1495

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt., September 27, 1954.

Mr. HARRY PARR,
President, New Hampshire Federation of Labor,
Post Office Box 366, Hampton, N. H.

DEAR SIR: There is attached copy of order filed with the State Employment Service by Wilfred Pinard, of Lunenburg, Vt., who has submitted a petition to this office for permission to import 7 skilled Canadian woodsmen for the 6 months period beginning October 1, 1954.

If after review by the regional director, Bureau of Employment Security, United States Department of Labor, 18 Oliver Street, Boston 10, Mass., after consultation with the appropriate State director, it is determined that any of the wage rates indicated in the attached order are not the prevailing wage rate for the position(s) indicated, in the area of employment, the importer will be accordingly notified by the regional director. Importations will not be authorized until the importer has agreed to pay the prevailing wage rate.

After review, kindly inform this office whether your organization has any objection to the importation. If no reply is received by October 7, 1954, it will be assumed that there is no objection.

Very truly yours,

E. E. SALISBURY,
District Director, St. Albans District.
By J. W. TRUDELL,
Acting Chief, Inspections and Examinations Branch.

NEW HAMPSHIRE STATE EMPLOYMENT SERVICE,
Berlin, N. H.

(Attention of manager.)

I wish to place an order for the following woodsmen for our operation in Jefferson, N. H. This order covers woodsmen for the period beginning October 1, 1954.

| Number | Classification | Rate per cord | Number hours per week |
|--------|--|---------------|-----------------------|
| 5 | Choppers or cutters: Rough pulpwood, stump piled..... | \$5.00 | 48 |
| | Rough pulpwood, yarded..... | 6.00 | 48 |
| 1 | Truckdriver ¹ | 1.25 | 48 |
| 1 | Truckdriver helper ¹ | 1.10 | 48 |

¹ The truckdriver and truckdriver helper will be engaged in hauling operations from the cutting area in the town of Jefferson to pulp mills located at Groveton and Berlin, N. H., each town being about 20 miles from the cutting area.

Workers will be paid time and one-half for hours over 40 per week, except for seasonal work. Referrals should be made to Wilfrid Pinard, located at Lunenburg, Vt. No board and lodging furnished.

September 14, 1954.

WILFRID PINARD,
Per J. T. BLAIS,
His Attorney.

File No. 01300-3S

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt., November 19, 1954.

CECIL V. CRAWFORD and PHILIP E. SMITH,
International Representatives, International Brotherhood of Pulp, Sulphite and Paper Mill Workers, Berlin, N. H.

DEAR SIR: Receipt is acknowledged of your telegram dated November 15, wherein you requested "that all bonded Canadian woods workers be returned to Canada pending the settlement of the current labor controversy."

Please be advised that this matter has been submitted to our central office in Washington and "it has been decided that Canadian labor in the United States at the present time should be permitted to remain here in accordance with the conditions of their admissions and furthermore, if additional labor is required and the usual conditions covering their admission are complied with, they will be permitted to enter."

Very truly yours,

E. E. SALISBURY,
District Director.
By PERCY E. GEE,
Deputy District Director.

BRIEF IN BEHALF OF LOCAL 75, ON PROBLEMS CONCERNING CANADIAN BONDED
WOODSMEN OF NORTHERN NEW ENGLAND

In the Matter of United Brotherhood Local 75 International Brotherhood of the
Pulp, Sulphite, and Paper Mill Workers, AFL

PURPOSE OF BRIEF

The purpose of this brief is to assist any persons or agencies concerned with the problems raised by the importation of woodsmen into northern New England. We shall not attempt to make an exhaustive presentation of the facts or arguments in this brief. It is our intention to set forth the gallant points now, and later to develop this brief for those who request it.

BRIEF BACKGROUND

The local involved here takes into membership the employees of the manufacturing division of the Brown Co. and the bulldozer operators and mechanics engaged in the woods operation of that company. The Brown Co. employs some 3,000 production workers in its mills, its own forests and other woodlands. It produces pulp, paper and byproducts. Its plants are located primarily in Berlin, N. H., and vicinity. It cut its own wood directly, and employs jobbers to cut some of the wood in addition to buying some wood from farmers. Needless to say, it uses huge amounts of pulpwood. It does some lumbering and owns or leases sawmills.

During the last 2 years, American woodsmen have come to the local union office and begged for organization. They claim that unnecessary numbers of Canadian woodsmen, including cooks, cookies, truckmen, and even bulldozer operators have been coming into the north country causing a drop, not only in their job opportunities, but in their earnings.

During World War II, it is admitted, there was a need for these bonded Canadians. Americans were going into the armed services and into defense plants in huge numbers. After the war, we claim that very few, if any, bonded woodsmen were necessary.

On January 18, 1955, we were told by a representative of the Department of Labor that in the New England and New York area there were approximately 5,000 of these bonded woodsmen.

In 1954, the American woodsmen in the New Hampshire area were organized and a petition for an election was filed with the National Labor Relations Board. The union relied upon a decision made by the National Labor Relations Board in 1946, which excluded the Canadian bonded woodsmen. The Canadians come in, remain up to 6 months, and then go back to Canada. Some never return. Their homes and interests are in Canada. The National Labor Relations Board, however ruled in the more recent case that the Canadians should be included in the unit, and dismissed the union's petition.

In the fall of 1954, after the Brown Co. refused to meet with representatives of the union, a strike was called. The strike was called off because of a ruling by the Immigration and Naturalization Service that Canadian labor could remain in this country during the strike, and that "if additional labor is required and the usual conditions covering their admission are complied with, they will be permitted to enter." The union took this to mean that Canadians would be used as strikebreakers during the strike. We are quoting a letter, dated Novem-

ber 29, 1954, signed by International Representatives Philip E. Smyth and Cecil V. Crawford, which is self-explanatory:

157 MAIN STREET, BERLIN, N. H.,
November 28, 1954.

IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt.

(Attention: District director.)

DEAR SIR: Under date of November 19, 1954 (file No. 01300-33), we were notified, in response to our telegram of November 15, 1954, that, "it has been decided that Canadian labor in the United States at the present time should be permitted to remain here in accordance with the conditions of their admissions and furthermore, if additional labor is required and the usual conditions covering their admission are complied with, they will be permitted to enter."

We have recently learned through the American Federation of Labor that this drastic order has been modified at the request of the United States Department of Labor to the extent that certification of bonded men would be withheld during a strike of American woodsmen, such as was in effect November 15-20, 1954, here in this area. Up to this time we have not had any official information on the change of policy by the Immigration Service, Department of Justice, if any such ruling has been made. If a change of policy has been made, may we reasonably expect a written statement giving the change, and any other particulars appurtenant thereto.

We are very much concerned about this ruling in the quote above, as it could be, and probably would be, used as a strikebreaking device in the event of a future labor-management controversy, or work stoppage. It is an eminently unfair policy, and one that should be reversed at the earliest possible moment in the interest of fair play for our vanishing American woods workers.

Very truly yours,

PHILIP E. SMYTH,
CECIL V. CRAWFORD,
International Representatives.

The union has been seeking public hearings on the matter of the importation of Canadian woodsmen and the establishment of rates. Such a hearing would include representatives of the Government agencies and of the employers. We have been unable to obtain such a joint hearing. A letter from Mr. E. E. Salisbury to the union attorneys which we quote below will demonstrate that for some reason or other Government officials felt that such a hearing would not be in the public interest:

File No. 01300-3-R

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
DISTRICT DIRECTOR,
St. Albans, Vt.

SAMUEL E. ANGOFF, Esq.,
Grant & Angoff, Counselors at Law,
44 School Street, Boston, Mass.

DEAR MR. ANGOFF: This is further response to your letter of April 7, 1954, concerning a public hearing in the matter of the importation of Canadian workers.

Your request for such a hearing has been given careful consideration, and it has been decided that it would not be in the public interest to hold a public hearing at this time.

We have already had one meeting this year with representatives of labor from the Berlin area. If you or the union you represent has any additional information as to the availability of domestic workers for employment in the woods or in any other occupation, this service will be glad to meet with you in a closed conference with representatives of the Bureau of Employment Security of Boston and the Division of Employment Security of New Hampshire at a time and place convenient to you.

E. E. SALISBURY, *District Director.*

PROBLEMS CREATED BY IMPORTATION OF CANADIAN WOODSMEN

The advent of the bulldozer, the chain saw, the automobile, and mechanization in general has changed wood operation considerably. Americans who left the woods are now anxious to go back. Americans are expert mechanics and

are interested in conservation. Their roots are in the community. With good roads in and out of the woods, many of them are able to commute. They buy from the local merchants and they pay taxes in the community. Of course, when they are compelled to remain in the woods, they require good camps and better food. The Canadians are understandably interested in going home to Canada with as much of their earnings as possible. They live in the woods during their entire stay (with occasional trips to neighboring cities or towns). They buy little or nothing in the community, and many of them do not pay their taxes.

There may be some need for Canadians, and Americans are willing to work side by side with such of them as may be necessary, but it is the belief of the American woodsmen that the presence of these Canadians is, for the most part, unnecessary and that they only tend to depress wages and working conditions of the American woodsmen. The price for cutting wood has steadily dropped. The demand for Canadians has now spread to garages, hotels, operators of heavy equipment, and others. Criticism of the importation program has been spontaneous and has arisen all through the north country. Those affected have gone to the unions and others without solicitation and, in fact, despite some resistance on the part of busy union officials. Nevertheless, the demand for relief persists and must be received. We quote a letter dated January 18, 1954, sent by Mr. Smyth to the clearance supervisor of the division employment security in New Hampshire:

JANUARY 18, 1954.

Mr. ALBERT PAGE,
Clearance Supervisor, Division of Employment Security,
Concord, N. H.

DEAR MR. PAGE: This is in reply to your statement, appearing last week, January 15, in the Manchester Union Leader in which you claim that you know no case where New Hampshire workers are jobless because the work is being done by Canadian labor. This whole problem of Canadian bonded men working in this country during this critical period of unemployment should be reviewed by the employment security division. In the first place, it should always be borne in mind that the reason for bonded men being permitted to work in the United States of America was because of the war emergency in which we found ourselves short of certain skills. I refer specifically to the need for choppers in the woods, particularly in supplying pulpwood for our paper mills. We still recognize the fact that there is a limited need for choppers in this industry. However, with the unemployment problem as it now stands, the other skills can be very well supplied by American labor and the Canadian bonded men should not, under any circumstances, be allowed to enter into competition with our own unemployed, either as to skills or as to wage rates and working conditions. We cannot allow, nor will we permit the wage structure, which we have built up over the years through collective bargaining, to be depressed and chiseled away through the medium of competition for jobs by non-Americans, under any pretext whatsoever.

We are now faced with the problem of garage owners and others applying for "bonded men" to fill their alleged needs, ostensibly because there are no garage mechanics available, but actually because they do not want to pay the prevailing wage rate for garage mechanics. This condition could go on and on, store managers could ask for clerks on the pretext that no "qualified" labor was available for these trades. This situation could become more critical, and it is our intention to prevent it before it becomes too aggravated.

I would like to know the definition, as used by your department, of the term "qualified." It seems to me that you are straining the meaning of it when applied to garage mechanics while, in fact, the real problem lies in the low wages offered that skilled group workers. This especially true in the north country where organized labor has established and recognized wage scales for garage mechanics and others doing similar work.

There are many classifications of workers in the woods that no qualifications as such are necessary except a willingness to work. In these cases qualifications do not enter into the picture, but the right and proper wage rates for this necessary common labor does enter into the picture. It is my content on that once the proper wage rate is established for this large group of woods workers, there will be no problem of supplying such labor in sufficient numbers.

I do not intend to stand idly by and see the wages of this large group of workmen in the woods chiseled away through the process of job competition

with foreign labor. Manufacturers are protected by a tariff against the products of cheap labor from abroad. Our American workers should have some sort of protection, likewise, from the competition of bonded labor.

Very truly yours,

PHILIP E. SMYTH,
International Representative.

That the problem goes beyond the New England States is demonstrated by the letter dated November 10, 1954, from the president of the American Federation of Labor to the secretary-treasurer of local 75:

WASHINGTON, D. C., November 10, 1955.

Mr. WILLIAM BRIDEAU,
*Secretary-Treasurer, New Hampshire State Federation of Labor,
151 Main Street, Berlin, N. H.*

DEAR SIR and BROTHER: At the 1953 American Federation of Labor convention, the Iowa State Federation of Labor introduced a resolution objecting to the action taken by the United States Government in allowing the immigration of certain skilled nonagricultural workers. The Iowa Federation stated that these skilled workers were imported to work at substandard wages on jobs for which domestic workers were available.

As a result of the action on this resolution taken by the 1953 convention, we have been urging the Department of Labor to revise its procedures under which it gives approval to these importation requests from employers. We have been particularly concerned by the Department's failure to obtain information concerning available domestic workers from the appropriate labor organizations.

As a result of these discussions, the Labor Department's Bureau of Employment Security has now sent to all State employment security agencies the attached letter dealing with this question. The letter recognizes that complaints have been received from certain labor organizations regarding requests for importing workers. The letter makes it clear that these importation requests must be discussed with appropriate labor organizations before the Labor Department gives its approval to these requests.

I am calling this matter to your attention because it is likely that the State employment security agency will consult with the appropriate State federation of labor regarding these importation requests.

Fraternally yours,

GEORGE MEANY,
President, American Federation of Labor.

POSSIBLE SOLUTIONS TO THE PROBLEM

We submit that public hearings at which employer representatives, union representatives, and company representatives are present will help solve some of the problems. The letters we submit below, dated March 29, 1955, and April 7, 1954, bring out this point:

APRIL 7, 1954.

NEWELL BROWN,
*Director, Division of Employment Security,
32-34 South Main Street, Concord, N. H.*

DEAR SIR: My associate, Sidney S. Grant, has been handling the matter of bonded Canadians on behalf of Local 75, International Brotherhood of Pulp, Sulphite, and Paper Mill Workers, whose international representative is Mr. Philip (Babe) Smyth.

I have made inquiries concerning the conflicting claims of several employers and of the union in regard to the Canadian importation program and I have reached the conclusion that it is absolutely essential to resolve these conflicts by holding public hearings before any bonded Canadian woodsmen are put to work.

The many American woodsmen with whom I have talked all say that employers can be furnished with all the American woodsmen they want, or that nearly all of their needs can be taken care of if a proper procedure can be adopted for the hiring and wages of American woodsmen.

We urge an open public hearing which should be held just as soon as possible, in a convenient place, where all parties will be given an opportunity to present their views. Only in this way, it seems to us, can any intelligent determination be made. Apparently, too many decisions have been handed down on the basis of past practice, tradition, and upon information supplied on a unilateral basis.

A reexamination, or another look at the whole situation, will bring the procedure up to date and may cause you to evaluate the situation in a different manner than that which prevailed in the past. Times have changed and economic conditions have shifted. We can state further reasons, but we believe that we have stated enough here to justify our request for a hearing at which the facts will be presented in an orderly and fair manner by all parties concerned.

May we please hear from you at your earliest convenience.

Very truly yours,

GRANT & ANGOFF,
SAMUEL E. ANGOFF.

MARCH 29, 1955.

ARTHUR C. GERNES,
*Director, Division of Employment Security,
18 Oliver Street, Boston, Mass.*

DEAR MR. GERNES: Since our last discussion with you, we have organized a local union affiliated with the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers, designated as United Northeastern Woods Workers, Local No. 809, AFL. Officers have been elected, the charter duly installed, and a substantial membership has been built up. We are moving forward to get recognition from the several employers in this northeastern part of New England.

This is the time of year that the employers of woods workers are getting their petitions ready for bonded Canadian woodsmen. We have noted with dismay that the wage rates proposed in the petitions are woefully low, so low in fact as to constitute a threat to the wages of all workers in this area. It is a well-known fact that the lowest wages rate noted in the range of rates is the rate generally paid in the several classifications. We have contended for a long time that it is these low rates that are responsible for the depressed conditions among American woods workers.

Once again, we ask that your office arrange for a meeting with the responsible employers of woods workers in this northeastern area for the purpose of establishing realistic minimum rates before any bonded woodsmen are certified to work in the woods. If they refuse to meet the union representative for this purpose, then some form of mediation should be arranged.

We hope that your office will be able to arrange a meeting such as we suggest, as it is our opinion that such a meeting would be helpful in solving this acute problem affecting American woods workers.

The per cord price of wood has been cut from \$7.50 in 1952 down to \$5.50 and \$6 in 1955; this is indefensible anyway it can be judged by fair-minded people. That is the going price now being paid to the lumberjacks. And this is in the face of rising prices of pulp and paper on the market today.

We hope that you can use your good office to alleviate this situation.

The officers of United Woods Workers Local No. 809, and the representatives of the international union, undersigned, stand ready to meet a representative group of employers that desire bonded men in the woods to discuss our mutual problems.

The enclosed leaflet is for your information; thought you might be interested.
Very truly yours,

CECIL V. CRAWFORD,
PHILIP E. SMYTH,
International Representatives.

We have been rebuffed on this request at every point. See the following letters:

APRIL 16, 1954.

NEWELL BROWN,
*Director, Division of Employment Security,
32-34 South Main Street, Concord, N. H.*

DEAR MR. BROWN: Thank you very much for your letter of April 12, 1954. First, I shall comment on your reference to the publicity angle. Although I have sent copies of your letter to my clients, I am not responsible for any publicity that may flow out of our correspondence. In any event, I do know that the people of northern New Hampshire, including businessmen in the communities, are quite interested in this situation, and I believe they are entitled to know what is taking place.

As Canadians do not make substantial purchases in the communities, a source of income which might otherwise come to them if American workers were employed, is shut off. In addition, the communities do not obtain taxes from these

Canadians; whereas local employees quite often own their own homes and pay taxes to Berlin and surrounding communities. Also, the communities suffer proportionately when 800 or more Canadians are brought into these areas at a time when American workers go without work, or have to go to another State to obtain employment.

In a situation such as this, there are bound to be some emotional arguments, but this is all part of our American democratic processes, and public, labor, and business officials should be able to state their arguments to the press or on a platform. Out of it usually comes some good.

We are still in favor of a public hearing at which time the men who are involved—American woodsmen—can testify as to the real facts. This is the best evidence that one can obtain.

In a letter to me, dated April 12, 1954, Arthur C. Gernes, of the Boston office of the Bureau of Employment Security, suggested another meeting with us in either Concord or Berlin, N. H.

I believe his attitude is both enlightening and progressive. We can see no reason why another cutting season should pass before action is taken. The hearing should be held now; not after the damage has been done.

We are in sympathy with the working people in Canada and elsewhere and wish them well, but there is no reason why Canadians who have their own beneficial and protective laws and who do not pay taxes to the Federal Government or to local communities, should take away jobs of unemployed Americans. To the extent that these Canadians deny job opportunities to Americans who are willing and able to do the work, the union I represent makes its most vigorous protest. This position is shared by many who are aware of Canada's current prosperity.

We again repeat that a public hearing be held before the men go to work.

Very truly yours,

GRANT & ANGOFF,
SAMUEL E. ANGOFF.

BUREAU OF EMPLOYMENT SECURITY,
Boston, Mass., April 8, 1955.

MR. CECIL V. CRAWFORD, Mr. PHILIP E. SMYTH,
*International Representative, International Brotherhood
Pulp, Sulphite and Paper Mill Workers,
Lancaster, N. H.*

GENTLEMEN: This is in response to your letter of March 29, 1955, in which you suggested a meeting of employers and representatives of local 809 to discuss wages being paid in the woods industry. You recall that at our meeting in Berlin, N. H., on January 18, I agreed to see what I could do about such a meeting. Upon my return from the conference I contacted the chairman of the committee on imports of the American Pulpwood Association and related to him your request that a meeting be held with the unions to hear the complaints of workers and possibly discuss a remedy. On January 27, I received a reply that the committee did not feel it was within the scope of its activity to discuss wage matters applicable to individual firms, and, therefore, could not accede to the suggestions.

We will continue to do everything possible within our jurisdiction to insure that the importation of Canadians will not depress wages in the industry. While we cannot arrange for this meeting at this time we will continue to work closely with you to insure the full use of domestic workers in this important program.

Sincerely yours,

ARTHUR C. GERNES,
Regional Director.

A public hearing called by an agency which can subpoena witnesses who can enlighten the committee should be set up in the near future.

Another suggestion deals with the establishment of rates for Canadian bonded woodsmen. The present method of establishing rates is confusing, to say the least, and we submit, probably unfair and contrary to the spirit of the law of the land. We quote a letter sent by Newell Brown to Philip Smyth, dated January 28, 1954 (the italic is ours):

DIVISION OF EMPLOYMENT SECURITY,
Concord, N. H., January 28, 1954.

Mr. PHILIP SMYTH,
142 Main Street, Berlin, N. H.

DEAR BABE: Mrs. Wilder and I discussed the questions you raised with Mr. Arthur Gernes, regional director of the Bureau of Employment Security and the next man up the line from us so far as our Federal connections are concerned, Wednesday.

He tells us that Maine handles its wage-rate certification on about the same basis that we do. *Specifically, the bottom rate they quote on any job is a rate which is high enough to get at least some American labor.* He shares with me extreme reluctance to get in any kind of a wage setting deal, but both of us feel that the present system isn't entirely satisfactory for some of the reasons you outlined. If some sort of a wage setting board could be set up by area or for the whole border country, a big step toward getting the matter straightened out would be taken. *I suppose, however, that no such board could come into existence until labor in this field was organized and strong enough to demand from management the setting up of such a board.* I take it from the Berlin Reporter's story that you are already taking steps to do some substantial organizing in that field.

In regard to the switch at Sturtevant Pond from a cord rate to an hourly rate, as I told you, we have no jurisdiction, since it is located in Maine. However, I am informed that this is not an unusual practice, that is, a jobber putting men on a cord rate through the thin stuff and holding a carrot in front of them in the form of a better "chance." Then when they get to the good cutting, he switches over to an hourly rate.

You said that you intended to discuss this situation with the Brown Co. at an early date and would let me know how they explained the change. I should be very interested to know what they have to say about it.

The matter of bonded Canadians being switched from one job to another after they get to this side is primarily a matter of policing, as I think you agree. So far as I know, none of the agencies interested in the problem presently have the staff necessary to do a real policing job. About all we can do is take prompt and strict action when we learn about a violation. This we will continue to do to the extent we are able and also to the extent Immigration cooperates. In a recent case Immigration chose to believe the employer's story and thereby knock the props out from under what we thought was a good solid violation case.

As to the annual meeting of woods employers which we mentioned, I am informed that it does not deal with wage rates. Its primary concern is with overall and particular quotas of bonded men to be authorized in the coming year.

I am glad you stopped by, and I think we think alike about a good many of the problems. But my hands are tied in regard to effecting cures in most instances. I do say this, however, blasting the division and individuals in it in the press, unless it is manifest they are delinquent in their duties and are not properly performing within the limitation placed upon them, isn't likely to speed solution. I think we can get further by sitting down and talking over the problem between ourselves. *I will agree that there are occasions when public servants are doing less than they should, or not doing things properly and need prodding.* I don't think in this instance, however, that that sort of prodding is going to do anything but make a lot of people unhappy.

Please keep in touch with developments, and I shall certainly do everything I can to give you a hand.

Sincerely yours,

NEWELL BROWN.

A new method for the establishment of rates must be obtained. It seems to us that the appropriate approach is a joint committee of labor, management, and public representatives who will hear arguments and establish rates before any Canadians are brought in.

A similar representative committee should be established to determine how many Canadians, if any, should be permitted entrance.

The value of public hearings was brought out at such a meeting which was held in the State of Maine, at the State house in Augusta, on February 28, 1955. This meeting, which was entitled "Importation of Canadian Labor," was called at the request of Stevan D. Shaw, representative to legislature, from Bingham, Maine. Gov. Edmund S. Muskie presided.

Various State and Federal officials attended the meeting and spoke, including L. C. Fortier, Chairman; James J. George, Sr., and Joseph E. A. Cote, Commissioners, Employment Security Commission; A. D. Nutting, commissioner, Forestry Service, State of Maine; D. J. Hurley, officer in charge for the Jackman area; and Clifford C. Doughty, officer in charge for the Portland area, United States Immigration and Naturalization Service; Edward Elwell, collector of customs for Maine.

A transcript of this meeting is available, and we are going to quote from only parts of it to point up our argument made above:

"Mr. STEVEN D. SHAW (representative to legislature, Bingham). Governor Muskie, I am Representative Steven Shaw, of Bingham, and I have here with me this afternoon a group of citizens from my territory who have expressed their concern in regard to the influx of labor and heavy equipment across the border here into Maine.

"Governor MUSKIE. May I go on, first, and make a few remarks. I am a little surprised by the size of the meeting this afternoon. I had expected to meet with a few people who had expressed concern about the Canadian situation in regard to our woods operations. They felt these people would be interested in laying the facts before me. I have had an increasing volume of mail on this problem. I am interested in getting the facts. Not that I have any thought in mind as to any action which I might be in a position to take—might want to take—on any legislation which might be involved; but this is a problem affecting a lot of Maine people. As Governor of Maine, I felt I should interest myself to the extent of getting all the facts.

"That is the entire purpose of this meeting this afternoon, which I expected would be much smaller. I want to know what is on your minds; what it is that is troubling you. I would like to say this, further; that it may be that there are other interests involved in this question, who are not represented here this afternoon. If on the basis of the facts, of what develops here today, it would be appropriate and right that they have an opportunity to present their point of view, of course I would want to create that opportunity later on, not only for their benefits, but also for your benefit, here, later on.

"I don't know what interests you fellows represent. I don't know whether you are primarily woodsmen, or operators, or whether you are for or against the importation of Canadian labor. I wanted to make these remarks at the outset. I want to be sure, before I take ultimate action—if ultimate action is called for—that everybody has an opportunity to present his viewpoint to me. I take it, this is just a matter on which you may wish to lay some facts before me.

* * * * *

"I would recommend that every individual stand, identify himself by name, give his residence, and whether or not he represents anyone. There is no point in giving facts unless we keep a record of them.

"Mr. ROLAND LANGE (Lake Parlin Farm, The Forks, Maine). Governor Muskie, I am Roland Lange, Parlin Pond, a poultry farmer representing the Jackman area, speaking against the importation of Canadian labor.

"Governor MUSKIE. Is that Long Pond?

"Mr. LANGE. No; it is Parlin Pond. A couple of weeks ago I attended a Lions meeting in Jackman, and read a report to them there regarding this same problem. If you will bear with me, I will read that report here, and then we can discuss it.

"Wood is Maine's No. 1 natural resource. Lumbering and wood products constitute, by far, our largest industry. As a resource wood should be judiciously conserved and efficiently produced, in order that our State derive the maximum from its development. Maine has an adequate labor force to develop this resource with its own citizenry. Foreign labor was introduced as an emergency measure when our own labor force was needed elsewhere during the war. Importation of labor has continued under the guise that local labor 'will not do woods work.' Wage rates in woods work, the rate per cord, have dropped steadily since the war while averages throughout the State have increased. No; that would not be—I understand they have not dropped, but they have stagnated as of probably 1946, while I think the other wage rates have increased in the meantime.

"The effect over the past 10 years following the war has been to set lumbering wage scales on a Canadian basis. The lower living costs and lower tax rates in Canada make work in Maine attractive indeed for the Canadian woodsmen. Glaring mismanagement of taxation allows bonded laborers to claim maximum dependency, and this circumvents our withholding taxes. Many persons with

visas, so-called synthetic Americans, have no intention of acquiring citizenship, but use this opportunity to collect employment insurance while residing in Canada.

"The understandable attitude of the Canadian, working in a foreign country, is one of exploitation. He works only for the weekly check to take home. He has no reason for loyalty to his employer; no particular respect for our laws or customs. He realizes he is tolerated only because of his ability to produce at the job. Usually accustomed to a somewhat lower living standard, he is content with living conditions which the average American would find intolerable.

"It is really apparent, despite the urgency of this problem, that immediate abolition of Canadian labor is entirely impractical and detrimental to the lumbering industry. The problem must be solved by evolution rather than revolution. An attempt must be made, however, to encourage our lumbermen, and particularly the young men, to take woods work. Mechanization has relieved the irksome tasks of woods work considerably, and in this field much can still be done with the proper initiative and incentive. Certain measures should be instituted immediately to equalize the opportunities and to encourage domestic labor. The feasibility of these, again, should be discussed.

"The State government should be given authority in deciding on the extent of bonded labor employed within its borders.

"The status of visa entrants should be investigated, and time limits of citizenship completion enforced and made irrevocable. As it now stands, the visa entrants can, if they allow their time limit on their visa to elapse, they can re-enter, simply get another visa. I am not sure of the details, but I am sure the immigration authorities can explain. They work within the State; they have all the privileges of employment, here in the State, of citizens; yet they retain a residence in Canada, they can drive cars back and forth across the Canadian border, their cars carry Canadian plates; they have all the advantages of dual citizenship.

"Visa entrants should be residents.

"The bonded laborers should be allowed a maximum of one dependent for tax purposes. Of course, that does not affect the State. But to make an equitable arrangement would only be fair.

"No social-security or unemployment payments should be made to either 'visa' or 'bonded' entrants. It is certainly warping the purposes of our own social legislation to allow payment of such benefits to noncitizens.

"In the matter of timberland ownership by Canadians, it would be well to study Canadian regulations regarding foreign investment in that country. That, we won't go into here. I am not sure about the Canadian regulations.

"Transfer of funds or property out of Canada is by no means as simple a matter as it is here. We might well pattern our own regulations along similar lines. It should by no means be our intent to stifle legitimate trade in any way, but, where exploitation of materials or labor are concerned, proper legislation must be introduced. That is all I have here. I would like to hear from someone else now. I should imagine we ought to separate this into complaints and suggestions.

* * * * *

"Mr. POOLER (Bingham). I was working in the Jackman area, with logs. There was a Canadian came in. He had cranes and trucks. He went to the boss and offered to do the job, loading and hauling, for less money. The boss talked to me. He said, 'if you stay, Pooler, you have got to work for less money.' I said, 'All right, for a while,' and I did, for a couple of weeks. When I got done there, I went to another jobber. He had a Canadian crane working. He had in previous years, told me, 'Any time you want to work, you can bring your crane and trucks over on the job. I will give you part of the job.' This year I went over and he said, 'I am sorry, Pooler, I have a Canadian who has contracted all the hauling.' I said, 'You mean I can't have part of the job?' He said, 'No; this Canadian contracted for the full job.' He said, 'You could put your truck on, if you want to,' so I did. This man had a very poor piece of equipment, did a very sloppy job. But the Canadian had the job. I figure I was deprived of the job by the Canadian. I don't know if he was a 'visa' man or not. I don't know too much about the rules and regulations. I only know I have been hurt by them. So have many of my friends.

"Governor MUSKIE. When was this? A year ago?

"Mr. POOLER. This fall, particularly.

"Governor MUSKIE. Who was the jobber?

"Mr. POOLER. The jobber was Ronald Fournier, who had the Canadian.

"Governor MUSKIE. Where is he located?

"Mr. POOLER. Jackman. While I was working for the first fellow, this fall, the one who cut our price on account of the Canadians, he had logs going to St. Georges. We had a group of trucks. The price offered was pretty small. Our trucks made one trip. Some Canadian saw the trucks. They went to the mill and wanted to know the price. The fellow told them. Some of the truckers said, 'We can haul for less. We will haul for 15.' We was being paid 18. So they sent those fellows and we was unemployed, tied the trucks up.

"Governor MUSKIE. The jobber lined up with Mr. Fournier, he said the Canadian was getting less?

"Mr. POOLER. He didn't say that. He said he contracted the job to the Canadian. He would take it for less money. Fournier usually paid \$5 a thousand. This Canadian, of I remember correctly, Mr. Fournier said, 'We paid him \$3.' I couldn't even have part of the job. He said the Canadian had contracted it. In previous years, when American cranes were working, he said, 'come any time. You can have part of the job, clean the job up.' This year I was stopped cold by the Canadian.

"Governor MUSKIE. Do you know of any other instances which someone else experienced?

"Mr. POOLER. I have heard a lot, plenty, of course, but I wouldn't want to say what they was. My experience in that would not be confirmed.

"Governor MUSKIE. No, I wouldn't want you to say. Only what you—are you working in the woods now?

"Mr. POOLER. Not at present. I am tied up.

"Governor MUSKIE. What?

"Mr. POOLER. I am tied up. Have no work.

"Governor MUSKIE. You are available to work on a woods operation?

"Mr. POOLER. Yes, I am talking about a job over in the western part of the State. I am going to look at it tomorrow. If the price is right.

"Governor MUSKIE. How many years have you worked at woods operations?

"Mr. POOLER. Somewhere near 4 or 5 years, loading and hauling.

"Governor MUSKIE. What do you have for equipment?

"Mr. POOLER. I have a crane and a log truck.

* * * * *

"Governor MUSKIE. Ralph Reynolds, of Jackman Station.

"Mr. REYNOLDS. Ralph Reynolds, of Jackman Station, Maine. I would like to add this to what the boys have had to say; I have a crane which is not working at the present time, and my—why it is not, is due to the fact that at the present time there are Canadian cranes in the Jackman area operating with jobbers. Where are the Americans? They are sitting with their cranes in the yard. They cannot work due to the fact that they are hiring at lower prices than we can afford to work for.

"Governor MUSKIE. Do you know what is being paid?

"Mr. REYNOLDS. I do know, in one instance—this is for a fact—in one instance a fellow had a crane on a job, operating for \$3 a thousand, which I can't operate for; nobody else can operate for \$3 a thousand.

"Governor MUSKIE. What is the minimum price you can operate for?

"Mr. REYNOLDS. \$5 seems to be the going wage, about the best we can do.

* * * * *

"Governor MUSKIE. Is there unemployment among men who want to work?

"Mr. REYNOLDS. Yes, there is, for the simple reason they can't get money enough. They can't get money enough to be able to afford to go into the woods and work. That is work they have done. These fellows, they are woodsmen. That is all there is up around there. But they can't afford to go into the woods for the money they are getting.

* * * * *

"Governor MUSKIE. Will you give us your name?

"Mr. GIROUX. Louis Giroux. I have been up in the woods, at the Forks, for Mr. Gilbert this winter. We got done Friday. They are still cutting logs a little bit of pulp. They are paying \$1 an hour. Canadians can do it. All they get is their board out. We have to take \$2 or \$3 out for taxes. We got about \$6 a day left. They got \$8. They work in the woods; they work 10 or 12 hours a day, and put down 8 or 9. That makes a difference.

"Governor MUSKIE. Who did you work for?

"Mr. GIROUX. H. & W.

"Governor MUSKIE. H. & W. directly?

"Mr. GIROUX. Division of Scott Paper. I was driving a truck.

"Governor MUSKIE. Are you still working?"

"Mr. GIROUX. No; I am not."

"Governor MUSKIE. How many men worked in the crew you were working with?"

"Mr. GIROUX. The crew, working with the trucks, I would say 15 men. But the cutters, the Canadians they had, it must be pretty near 150, I guess."

"Governor MUSKIE. You say, about 15 Americans and about 150 Canadians?"

"Mr. GIROUX. That is about it."

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"Mr. JOSEPH POOLER (Bingham). If I was going to start a job, which I anticipate doing this summer, with 20 or 25 men, if I did not have the work, I would do the same as any other jobber in the State. I would go to the employment service and requisition the men. I would probably tell them, I would have a price as low as I could get it. When the men came up in the woods, I would put them in a hard chance to work; you know. It would not be but a short while before they would leave. The 25 would be down to 10. Then I could go back to the employment and say, 'This is an emergency. I have to have men to cut. Could I have a bond?' As it was an emergency, I guess they would probably agree I could have 'bonds.' I would take the 'bonds' in. In a short time the American boys, they can't camp with them at all. The rest of the Americans would leave. Actually that is where I would save money by using 'bonds.' If I scale his wood, I see a bad log, I put a sign on the log it is no good, don't pay for that. Then I will load the wood, I will take it, I will get my pay. The Canadian will be gone home, he won't know anything about it. If I am in business to make money, and Canadians are available, those are the boys I am going to have."

"Governor MUSKIE. Are those some of the practices which are going on?"

"Mr. POOLER. That's right. If I go into it to make money, it is just what I will do. I can scale them down. You can make them work harder. They will live under worse conditions. American boys can't live in camps with Canadians. A lot of the big outfits have nice camps, no question about it. I believe they want to keep them clean. They comply with the laws of sanitation, etc. The Canadians don't. Mr. Barry will tell you about that."

"Mr. THOMAS BARRY (Martin Pond Camps, Caratunk). I had business with a man, he was a jobber, he contracted a job to a Canadian outfit. I had to go into their camp to find out where the fellow was. I went into their camp. They had a hovel, the horses in one end, a canvas in between, and eight men living in that little place. All they had was logs on the floor, nothing but logs. Under those conditions Americans would not work. All there was, was logs. The horses were in one end, a canvas between. On the other side the men were sleeping, staying. One fellow was cooking, the others were cutting, and taking so much out of their pay for the fellow doing the cooking. Kennedy at the Forks, he had sublet the job."

"Governor MUSKIE. Who did he sublet it from?"

"Mr. BARRY. He was cutting, himself; paying stumpage and cutting, himself."

"Governor MUSKIE. Any American labor on it?"

"Mr. BARRY. No American labor on it at all, not that I seen."

"Governor MUSKIE. When was this incident?"

"Mr. BARRY. A year ago, last winter. A lot of camps, around, if they was inspected, they would close the camps down. The big companies, they have nice camps."

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"Mr. REYNOLDS. I would like to bring up another point which has bothered me somewhat, due to the fact that if a bonded man comes over and will earn \$100 a week, take home, and I, right side of him, earn \$100, take home—this is an example—he takes home that \$100. The Government takes 20 percent out of me. He takes home his hundred. Besides all the other taxes I have to pay, that 20 percent comes out. I can't see why that is fair. I think it is due to the fact that they are working a lot cheaper than we are. They are not paying taxes. They are getting their checks, cashing it, and putting the money in their pocket. If they declare anything to the customs, they don't pay only a small sum."

"Another instance I know of: A man and his five boys came over here to work. Every one of them—the father is 75—everyone had 10 or 12 dependents, and the youngest boy is 17 years old. I think there is people here who can verify that statement. They may not have anyone at home; they come over and declare

they have 10 or 12, and there is nothing you can do about it. Do you want to ask anything?

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“Governor MUSKIE. What is Mr. Gilbert’s name?”

“Mr. GAGNON. Mathias Gilbert. He is a contractor, has been contracting in the woods for 15 or 20 years. He says they have got Canadian contractors coming in and contracting; they are on bond; they are contracting for less money than he can contract for, so he has got to leave his equipment stored. He can’t contract for that money. So is Pete Brouin. For many years he has been one of the big contractors for Great Northern. He has the same case with him that he had in New Hampshire, in the State of Maine.

“Governor MUSKIE. Their equipment is not now being used?”

“Mr. GAGNON. What?”

“Governor MUSKIE. They are not working now?”

“Mr. GAGNON. They are not working now, at the present time, on account of Canadian contractors, contracting for less money and bringing their own equipment from Canada.

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“Governor MUSKIE. Is there anything else you want to say?”

“Mr. GAGNON. He was telling me, there was a place, there was 30 Americans shipped into camp for the Great Northern. The foreman said, ‘We are going to get rid of them. We will not keep them long.’ He put them in a bad place, where they could not earn a living. Then they have the others back. He says that is a good reason why the State of Maine cutters, they can’t keep them. They put them in a place where they can’t earn a living.

“Governor MUSKIE. When did that happen?”

“Mr. GAGNON. He says, about 3 or 4 years ago. He says it happened this winter, Mr. Gilbert, for H. & W. over to Spencer. He says they put Americans in a bad place, so they go.

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“Mr. JOSEPH POOLER (Bingham). I would like to say, I think Mr. George is correct in his belief that the men are well protected by law and regulations, in theory. We are, but in practice, it is not working out. This situation is gradually growing worse and worse. It is worse this year than the year before and the year before that. It is getting almost unbearable. If there was not a lot of misunderstanding about things; if there was not a lot of harm from it, we would not be here today.

“I have some petitions here. I put out just a few. I would like to give them to you. I just left them around, certain places, 1 or 2. I was talking with a storekeeper. He used to sell all kinds of woods clothes, stuff to outfit lumberjacks. The Canadians don’t buy in Bingham or Jackman. Maybe they buy a pair of cotton gloves; but they don’t buy woolen clothing. They can get them cheaper in Canada.

“When it comes to hiring Canadian labor on a job, I would like to know where the need stops and where preference begins. A while ago I said, if I was contracting, I would want Canadians right from the start. My need would be because I preferred them.

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“Governor MUSKIE. Anyone else? Will you state your name?”

“Mr. PHILBRICK. Governor Muskie, I don’t feel at home here in the state-house; I would be much more at home in the woods in a swamp somewhere. I have a few observations I would like to make, which might be of some help, some benefit. If you can use them, you are perfectly welcome.

“I expected to see Mr. Philip Smyth, the international representative of the AFL here, but I don’t see him; I am very sorry.

“I have watched all these conditions that you have been speaking about, since about 1910. I think that was my first winter in the woods. I have been in the woods ever since, in one capacity or another. And in 1917, I believe it was, the Canadian woodsmen program was enacted. And since that time I have watched conditions in this State, as far as woods work is concerned—that is all I am speaking of, something I consider myself familiar with—go from bad to worse. And it can’t get much worse.

“We speak a lot of prevailing rates for woods labor. That is a good point, and as most of us know, the prevailing rates are prevailing because of a prevalence of Canadian labor.

"Mr. Smyth and a number of others have seen the light some time ago, and they have been primed to organize the woodsmen. I consider it is going to be a hard, very difficult job to do. I am not a union man myself, never belonged to a union but once, about 2 years. But in that time I could see, I came to see that a union—one that is wisely led—is the only hope for a workingman, believe it or not. Today our troubles all come from lack of organization, in my opinion. Ever since the First World War, our young people have been leaving the State; have been giving up woods work. Today I find no young men to speak of in the woods. They are all elderly, middle-aged, like myself, and those men who have families are tied down, can't move very well. Most would move if they could. Chain saws have helped some, but they have also helped the Canadians.

"I have watched different jobbers go broke. Some of them never knew what hit them, but they were hit. And most of the jobbers who grew up with me, as they went broke, they did not last very long. I could name a few if I had time. There is at the present time, there is, as you woodsmen know, a very small remnant left of what was once a great virgin forest in the State of Maine. I am sure most of you are aware of that.

"Labor has made a great gain in the matter of hours, overtime hours, unemployment compensation, all that, but as far as woodsmen are concerned, you just hate to see foreign labor have that advantage. Hundreds of foreigners are thrown into woods jobs, especially in the northern part of the State. You don't perhaps see it so much in the southern and central parts. And in a very short time, 6 or 8 weeks, 10 weeks, the job is completed; closed up. The forests are gone. The payroll is gone, and as far as I can see, the man on Main Street in the small town has profited very little, when he should have had the full benefit of all of that.

"We build up unemployment compensation, and as someone has said here, our young men are drawing unemployment compensation while foreign labor comes in at such low rates, it is hardly worthwhile for them to do anything. So we find the woods full of so-called foreign labor and our young men drawing unemployment compensation. I will say again, I wish Mr. Smyth could have been here. He is trying very hard to organize woods labor. And I have come to a very reluctant conclusion that that is about the only hope for the woodsmen today, is some sort of organization. As I say, I am not speaking for unions, I am not a union man, but I would be if I had an opportunity to join. And I think one of the things we should all encourage would be some sort of organization.

"I did not intend to take up so much time. In fact, I did not intend to speak at all, when I came down, but I get into one of these meetings, I get the urge—after I overcome my stagefright—to get up and try to say something. If 45 years' experience in the woods would help anyone, if anyone wants information I would be glad to give it. I think that is all the time I will take up today.

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"Governor MUSKIE. Any other questions?

"Mr. WILFORD JONES (Brunswick). I don't know whether you would consider this a question, or more or less asking advice. In my particular case, would you advise me to just stop where I am now? I am not saying this, trying to be facetious. I realize there is a limit to what you can tell me. Would you advise me to let go the men I have, and go after Canadian labor, to meet competition?

"Mr. HURLEY. If you wanted to file a petition to import Canadian labor, you would have to go through the officer in charge in Portland. I am sure he would be glad to tell you about that, some other time. If you can't get Americans to do the job, probably you could bring them in. But the State of Maine first has to certify that there is a shortage, and they are not listed.

"Mr. JONES. I didn't mean to take advantage, but I really mean what I say. I understand if I apply for Canadian labor, all I have to do is make it unbearable for the help I have got. They go. Then the employment service, they send me 2, 3, 4, 5, whatever I need. If they are Americans, I still bear down. They go. Finally I say, 'I guess I will have to use Canadians.' They give them to me. I am not going to do it; I will tell you that, right off the bat. But actually that is just what some of them do.

"Governor MUSKIE. Any other comments or questions?

"Mr. LANGE. I would like to say something about what Joe brought up. In bringing up our experience with Canadian labor, I don't think there is any individual animosity. In the light in which the Canadian works. I think we agree he has been exploited. The Canadian attitude is simply a case of work, get the money, get out. He knows he is not loved. His attitude is the same toward any conservation of resources or in the sporting field. He doesn't have

any respect for our laws. He knows he is only tolerated. I know I have had little experience with them, but looking at it in retrospect, I can understand it, too.

"Governor MUSKIE. Anyone else have something on his chest he would like to get off?"

"Mr. JOSEPH MACEachern. I would like to say, about the unemployment checks in Jackman, practically half the population is not working. Mr. George stated there were 17 woodcutters. I wasn't referring to woodcutters. Everybody in Jackman is a woodcutter. That is all they have known. But they don't list them as woodcutters. They have a good many they don't list at the unemployment as woodcutters."

The quotations taken from the hearings in Maine prove conclusively that more light is needed on the whole matter and that it can only be obtained at the Federal level in appropriate public hearings.

CONCLUSION

We submit that a grave problem has arisen which requires an immediate solution. We trust that our suggestions will cause others to think about the subject and do something about it.

Respectfully submitted.

SAMUEL E. ANGOFF,

Attorney for Local 75, International Brotherhood Pulp, Sulphite, & Paper Mill Workers, AFL.

GRANT & ANGOFF,

44 School Street, Boston 8, Mass.

Mr. SMYTH. In regard to the river driving you asked about, I want to say that the industry of pulp and paper making has changed terrifically in the last 10 years. At one time pulp and paper was made 100 percent by softwood which enabled the employer to go into the woods and cut the wood and pile it up, and in the spring of the year when the freshets came they could drive that softwood down the streams, regardless of how small the streams may have been, and right into the mills.

Today, in Brown Co., it is changed from 100 percent softwood to 90 percent hardwood and 10 percent softwood. Softwood is still being driven down the river, but the hardwood has to be trucked out, and that is why the roads are built away back into the woods. The main roads right into the camps are fit for trucks at all times of the year. In the wintertime we have snow roads. That is in order to get the wood onto the streams or ponds or lakes.

The hardwood is taken into the plants exclusively by trucks. Some are owned by Brown Co. and others are individual truckowners.

At one time there was at least 100 truckowners in the city of Berlin, who owned their own individual trucks and contracted to the Brown Co. and other jobbers to bring that wood in to the plant. I think it is safe to say that today there would be less than 20 or 25 truckowners in the city of Berlin.

Senator DOUGLAS. What has happened? Has the French Canadian taken that work?

Mr. SMYTH. The French Canadian trucks are coming into the northern New Hampshire area and hauling our wood.

Senator GOLDWATER. Who lets them do that?

Mr. SMYTH. That, sir, I imagine is a regulation of the Immigration Service, and I don't know just what the arrangements have been.

Senator GOLDWATER. Do you mean it is possible for a Canadian to come across the United States border with a truck and compete with American trucks? Would it be possible for a Canadian to come across

the United States border and haul anything he wanted, outside of lumber?

Mr. SMYTH. I couldn't speak for anything else, sir, but I know that the Canadian trucks are coming over from Canada under bond, with their helpers under bond, and hauling pulpwood and veneer logs.

Senator GOLDWATER. Mr. Angoff, have you looked into the law on that? That does not seem to me to be quite proper.

Mr. ANGOFF. I might say that most of my work in this field is on a practically voluntary basis, and some 200 to 400 miles from where I usually work. I represent the local in the Brown Co. mill operations.

We had a survey made of the law, and we find that the law is largely a matter of judgment and discretion. There is so much left to individual agents to determine as to how many men are needed. There is so much left to judgment and to opinion. How many trucks are needed? That is a matter of opinion.

Senator GOLDWATER. Under Public Law 414, which covers this, 82d Congress, was it envisioned that these companies could go out and bring in French Canadian trucks? I do not think that was the purpose of the law.

What I am trying to get at is, under what law do they come back and forth across the border, competing with American businessmen?

Mr. ANGOFF. I do not have that at my fingertips. If we went into that, we could find out about that.

Incidentally, I think it was a Mr. Salisbury who was head of the Immigration Department up in Vermont or St. Albans. He has since been sent down to Texas. We have a new man up there now.

Senator DOUGLAS. I may say to Senator Goldwater that we are going to call representatives of the Immigration Service and of the Department of Labor to testify on Monday.

Mr. ANGOFF. They referred us to a statute which I don't have at my fingertips, which permits not only the importation of bonded woodsmen and their helpers and bonded truckdrivers and their helpers, and bonded cooks and their helpers, and bonded sweepers and their helpers, and bonded bulldozer operators and their helpers, but the equipment, also, such as trucks, bulldozers, and cranes.

I urge you, Senator, to read the testimony of the people who are more concerned with the use of equipment than we are, on how they have been put out of business in northern Maine because of the granting of wholesale permission to bring in all of this equipment, with the men who operate them, into northern New England.

In New Hampshire, where I do most of my work, the native truckdrivers—and I say most of them are farmers—have come screaming to us; "Please help us," they say. We went to the Immigration Department, and they said, "Nothing doing."

Senator GOLDWATER. The Immigration Department said they have the right to do that?

Mr. ANGOFF. Yes.

I am sure that Mr. Parr and Mr. Smyth and a delegation of State AFL and CIO representatives, and Mr. Fecteau, president of the State CIO, and Harold Doust, of the textile workers—they descended upon the Immigration Department in St. Albans with all of these complaints. This is an old problem.

Before we got here, we went to everyone. We said, "Please listen to us. How do these people get here?"

Mind you, these truck operators are not organized. They are independent contractors who need help. So questions were asked of the Immigration Department concerning the rights of these native truck operators. They said, "We have a right to determine what equipment and what people can come in." And they have been coming in.

Senator GOLDWATER. That is the Immigration Department?

Mr. ANGOFF. Yes, on the equipment.

Senator DOUGLAS. Mr. Crawford, do you have anything else; or, Mr. Smyth, have you finished?

Mr. SMYTH. I have one other thing. I think that covers the trucking situation, excepting that I would like to say this, to elaborate a little on what Mr. Angoff said in regard to the overtime payment.

I think if this resolution is adopted and a proper investigation was made in the northern area, we have a transcript here, and I think it will be in evidence that the truckdrivers and the truckowners at a hearing that we had in Berlin with the Employment Security Division, representatives of labor, and the truckowners testified to the fact that the American worker has to pay his helper time and a half after 40 hours. In this particular case, there in the northern New Hampshire and the Clarksville-Pittsburg area where the wood was loaded into boxcars, and these people testified that the length of time it took them to load their wood from the woods down to the railroad siding and load that boxcar would take them a certain amount of hours. In order to get their equipment going, if they paid the time and a half after 40 hours in accordance with the law, to their helpers, they would lose money. But the Canadians do not pay to the helpers the time and a half after 40 hours, and they were put to that disadvantage, that is, for the trucking situation.

Now I want to speak about the garage, and in a particular instance that I am very well acquainted with—I will name names—a garage owner and service station, and a sales and service station of the Nash car, a Mr. Pawkett, made application through the regular channels for three Canadian bonded body repairmen. He received the three of them. They worked in that garage in the heart of the city of Berlin. It was called to my attention only when another garage, a Mr. Dagle, had made the same application for three Canadian bonded mechanics in the garage.

Mr. Pawkett received them, and they worked there for at least 3 or 4 months. Public opinion got so bad when Dagle asked for them, the Buick garage asked for the bonded men, that the three who were working at Pawkett's were sent back to Canada.

We have applications every year for Canadian bonded people to be working in our hotels, and the recreation-hotel business in northern New Hampshire is very large. I think last year Mr. Parr will testify there was an application for some 200 Canadian waitresses, and so on, that applications were made on.

Senator DOUGLAS. Do you know whether they were granted?

Mr. SMYTH. They were not granted, sir. A protest from the American Federation of Labor was made. At least we protested, and whether that was the reason for their denial, I don't know.

So the intent in the first instance was as to the shortage of the cutters, the fellows who had to get the production of the trees out to keep our pulp and paper mills running. We recognize the necessity of those people.

We never recognized, and we don't today, the necessity of any other classification in the woods, whether it is a day worker or the chain-saw men. We do recognize a limited amount is necessary to chop the wood. But the cooks, and the cookies, and the barkeep, and the scaler, and all of those people, are definitely, in our opinion, not a necessity.

I do not think that the intent of the law in the first instance was to go beyond the fellows who cut the trees.

Another instance I want to point out. That is the advantage that they have, where at least it is an advantage to the employer, with respect to the unemployment-compensation payments. These bonded men are here under a 6-month bond time. At the end of April they have to go back to Canada, and they are not available for work, and, therefore, they do not receive the unemployment compensation, which affects the merit rating of the employer. How much that is, I don't know. I imagine it will run into substantial figures.

These are the disadvantages that the American worker has to meet in those woods.

I believe, gentlemen, that if the Brown Co. would have an employment office situated in northern New Hampshire similar to the one that they have in Canada to recruit their labor, they would probably receive more American workers than they do today.

Senator DOUGLAS. They have an employment office in Canada?

Mr. SMYTH. They have an employment office in Coaticook, Canada. That is about 35 miles south of Sherbrooke. It is between the American border and Sherbrooke. They maintain there an employment office.

Senator DOUGLAS. Do you infer from that that the Brown Co. recruits the French Canadian labor which is brought down?

Mr. SMYTH. Yes, sir, and they post bond for them there and they pay the bond.

Senator DOUGLAS. Mr. Angoff stated it was a mystery as to where the labor came from.

Mr. ANGOFF. It is a mystery in this way, Senator: You have jobbers and you have large companies. Brown Co., for example, might have 10 or 12 jobbers at one time, and other jobbers operate independently. Somehow or other, all of the companies get people from various places, even though all of them do not have employment agencies.

What I am driving at is that somebody goes out recruiting these people. It isn't the unions and it isn't the Federal Government and it isn't the Canadian Government.

My point is that we believe there are agents who go out looking for these cutters. There must be job opportunities in Canada for cutting wood since the newsprint industry is all in Canada.

Senator DOUGLAS. But there is a high population in the eastern townships. That is well known.

Mr. SMYTH. All of the workers will not necessarily come from the Sherbrooke area for the Brown Co. They may come from northern Maine, and in some instances in Maine the job being done by Brown Co. today is in the so-called Parmachenee, and if they come in from the Rangeley Lake area they would be handier to Canada than they would be to the United States. But it is much handier from Berlin to Parmachenee than it is from Coaticook or Sherbrooke. So that

the recruiting doesn't necessarily mean that they will all come from the Sherbrooke area.

Mr. ANGOFF. The mere opening of an office isn't sufficient. You have to have somebody go out and find the good woodcutters. If you sit and wait in an office, you do not always get workers.

The word "mystery"—it is perhaps an enthusiastic description.

Senator DOUGLAS. You mean who it is.

Mr. ANGOFF. They go out and get them because they want Canadians rather than Americans.

Senator DOUGLAS. "They" is a mysterious term.

Mr. ANGOFF. Yes, "they" is a mysterious term. The actual recruiters are the important people. Who they are, we don't know. I have been advised that the "they" are people who actually do the important leg work to bring the Canadians in.

Senator DOUGLAS. To bring them in to the Brown Co. office, and that is a transshipment office.

Mr. ANGOFF. Yes; and I heard some people call it herding. They are assembled for the purpose of pep talks and preparation and what not for coming over.

Mr. SMYTH. I think there is one more important thing which I would like to bring out: That a bonded man is in the United States under bond, and according to the regulations, as I understand it, they are bonded to come down to a specific camp. They have no right to go from one camp to another. If I am a bonded man and I am going down to Parmachenee to work as a chain-saw man, I stay in Parmachenee under any and all conditions as set down by the company, and I have no right to go anywhere excepting back home.

Senator DOUGLAS. It sounds to me a good deal like temporary peonage. I do not know whether that is correct.

Mr. SMYTH. That condition is such that back prior to 1944, the employer would petition the Immigration Service for X amount of men, and regardless of what classification they needed them for.

I know this instance has happened, where a man was asked to come down as a bulldozer operator, and he was bonded as a bulldozer operator. I was up in that camp at that time, and I went into a kitchen to have a meal. I commented on the good meal that they had, and he said, "Yes; I do a pretty good job for a bulldozer operator."

I said, "What do you mean?"

He said, "I was bonded for a bulldozer operator, but they told me to come in here and work as a cook, and this is costing me 20 cents an hour. But I have no other alternative but to come in as a cook or go back home."

But since 1944—and we protested to the Immigration Service—that has been changed so that now it is specific jobs, and he must stay on that or go home.

That, Senator, is my conclusion, and I want to thank the committee for listening to me.

Senator DOUGLAS. Mr. Crawford?

Mr. CRAWFORD. I have a very brief summarizing statement to make.

Many of these American woodsmen have come to us and asked us to organize them, and asked us to try to do something for them so that we could overcome what they consider to be abuses. These men, by reason of the fact that so many Canadian bonded men are being

brought into this country and into the north country, northern New Hampshire and Maine, are being pushed out. They feel that that is their home there, and they want to work there, and they want work to be available for as long as the woodcutting season is open.

They think that they are justified in trying to make conditions so that they can make a living by working in the woods. They have come to us and asked us to organize a local union, which we have done for them.

However, the National Labor Relations Board has created a situation which makes it practically impossible for us by usual methods to get an election, by stating that these Canadian bonded woodsmen should be eligible and qualify for the election.

As Mr. Angoff pointed out previously, during the war, in 1944, in the Vermont Copper Co. they made the exact opposite ruling, because the Canadians that were in there were union miners, and they didn't want them to vote. But now it is because of the language barrier.

Senator DOUGLAS. The previous ruling had been that they could not vote?

Mr. CRAWFORD. Yes. And now we have to go into the woods and try to organize these Canadian bonded men who are coming and going all the time.

So we feel that anything that our Government can do to help us through adopting a resolution and looking into this matter, as Senator Smith, favorably in our opinion, has initiated, we would certainly appreciate it.

We do feel that the abuses can continue and depress our wage standards and conditions of living in that area.

Senator DOUGLAS. Have you had any complaints from northern Vermont?

Mr. CRAWFORD. I didn't get your question.

Senator DOUGLAS. Have you had any complaints from northern Vermont, up around St. Albans?

Mr. CRAWFORD. No, we haven't had any complaints from that area. However, there are some of the bonded men working over in that area. We have had many complaints from Maine.

Senator DOUGLAS. Mr. Parr, do you have any statement to make?

Mr. PARR. Mr. Chairman, I think the matter has been pretty well covered by the previous witnesses, but as president of the New Hampshire State Federation of Labor, I naturally have received all of these petitions for the importation of Canadian bonded workers of all descriptions.

I recall that even prior to 1944—I guess it goes back into the early 1940's—the situation as Mr. Smyth described it existed, and through the efforts of the American Federation of Labor and the CIO up there, we have got some corrections made in the bringing in of these Canadian bonded laborers into the woods.

We thought that we had made the connection to the point that the woodchopper was pretty well taken care of up to that point. But over the past few years, we find that there have been ever-increasing petitions to bring in other types of workers into the woods, into the hotel and restaurant industry, into the field of farm labor. This past year I have received petitions from the county farm bureau at Lancaster, N. H., to bring in farm laborers into the county area which is what we call north of the mountains or north of the hump.

This past spring I received communications from the employment security office in the city of Nashua, for me to concur in the importation of farm laborers to come down into the Nashua and Milford, N. H., area, which is southern New Hampshire, to work on the farms in the planting season, and to be held over for the apple-picking season.

Senator DOUGLAS. What action have you taken in these matters?

Mr. PARR. I have protested very strenuously to the Immigration Service, and if you would desire, I would read the letters, and I didn't want to take up your time with all of that, but I have them available.

Senator DOUGLAS. Have your protests had any effect? We will put those in the record.

Mr. PARR. To the best of our knowledge, they have had no effect, and these laborers have been brought into the southern New Hampshire area. And, so far as I know, the hotel and restaurant workers were not brought in, into the mountain area.

(The letters submitted by Mr. Parr follow:)

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt., August 30, 1954.

HARRY PARR,
President, New Hampshire State Federation of Labor,
Post Office Box 356, Hampton, N. H.

DEAR SIR: This will acknowledge receipt of your letter, dated August 27, filing an objection to the granting of the petition submitted by the New Hampshire Hotel Association requesting permission to import not to exceed 125 hotel workers in the classification quoted in our letter of August 25. A copy of your letter is being forwarded to Newell Brown, director, division of employment security, Concord, N. H., for appropriate attention as the objection stated in your letter is a matter to be handled by his agency.

It is our understanding, as stated in our letter of August 25, that arrangements have been made by the New Hampshire State Employment Service with this association, to have each member hotel apply to the nearest local State employment office for the desired labor and, if that office is unable to furnish the required labor, a letter certifying to this fact will be furnished to the hotel representative who will surrender this letter to our service before any such labor is admitted for employment by this association in the State of New Hampshire. We have every reason to believe that this procedure will act to insure that Canadian labor is not imported if like labor is unemployed in the State of New Hampshire.

Very truly yours,

E. E. SALISBURY,
District Director, St. Albans District.

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
St. Albans, Vt., March 15, 1954.

MR. HARRY PARR,
President, New Hampshire State Federation of Labor,
Box 356, Hampton, N. H.

DEAR MR. PARR: Reference is made to your letter of the 8th instant, reaffirming your union's objection, in general, to the importation of skilled Canadian woodsmen for employment in the United States. You point out that the responsibility for approval of these petitions rests with this office, which is correct.

I would like to call your attention, however, to the provisions of the Immigration and Nationality Act, section 101 (a) (15) (H) (ii), (8 U. S. C. sec. 1101 (a) (15) (H) (ii)), which gives nonimmigrant status to such aliens when coming temporarily to the United States to perform temporary services or labor, if unemployed persons capable of performing such service or labor cannot be

found in this country. Section 214 (c) of this act (8 U. S. C. 1184 (c)) provides for a determination as to importation of such aliens by the Attorney General, after consultation with the appropriate agencies of the Government, upon petition of the importing employer. Title 8, Code of Federal Regulations, section 214h.41 (a), covering such petitions, provides for a clearance order from the United States Employment Service that (1) qualified workers of the kind proposed to be imported are not available within the United States, and (2) the Employment Service policies have been observed.

The matter of observance of Employment Service policies covers payment of prevailing wages and the Immigration Service must rely upon the Employment Service to establish that such wages are being paid or will be paid by the industry. I understand the regional director of the Bureau of Employment Security has advised you of a conference recently held in his office, and attended by representatives of labor, as well as by this Service, wherein the matter of bringing labor representation into the determination of prevailing wages in the Berlin area was discussed.

The statutes and regulations thereunder are quite clear on the responsibilities of this Service to act on such petitions when the certifications as to lack of domestic workers and payment of prevailing wages have been made to us.

Very truly yours,

PERCY E. GEE,
Acting District Director, St. Albans District.

NEW HAMPSHIRE DEPARTMENT OF LABOR,
DIVISION OF EMPLOYMENT SECURITY,
Concord, N. H., September 1, 1954.

MR. HARRY PARR,
*President, New Hampshire State Federation of Labor,
Post Office Box 356, Hampton, N. H.*

DEAR HARRY: Mr. Salisbury's letter of August 30 to you states that a copy is being sent to me for appropriate attention. I can only say that the importation of Canadians for hotel work, if any, is being handled on exactly the same basis that importation of Canadians for woods work is handled. You will recollect the meeting held here in my office some weeks ago when the procedures and principles behind this type of importation were thoroughly discussed. I took it at that meeting that you learned a number of things about the procedure which served to set at rest some of the apprehension and provide answers to some of the criticisms you had previously had of the program. I was hopeful, therefore, that when this hotel business came to your attention, you would understand what was afoot and perhaps not be too violently critical until and unless facts were in hand to indicate such importation would work to the detriment of New Hampshire's inactive labor force.

There is no point in going back over the ins and outs of this importation. They are pretty well covered in the summary of the meeting you attended here. When the season is over, we will have more facts and information as to how it worked out and, at that time, I would be very glad to further review the situation with you if you wish. I would like to say that I would certainly be no party to this program, if I felt that the best interests of working people in New Hampshire, and most particularly those who are currently unemployed, would be jeopardized.

Sincerely yours,

NEWELL BROWN.

COOS COUNTY FARM BUREAU,
Lancaster, N. H., July 19, 1954.

HARRY PARR,
*President, New Hampshire State Federation of Labor,
Hampton, N. H.*

DEAR MR. PARR: This is to inform you that the Coos County Farm Bureau, Lancaster, N. H., is requesting a permit for the importation of 30 Canadian farm laborers. At the present time, the farm labor situation in the upper half of Coos County is rather acute. By importing a limited number of semiskilled farm laborers for a period of 6 months, it is hoped that the situation can be eased to some extent.

Farmers importing laborers will be expected to pay a wage between \$100 to \$150 a month, in addition to board and room.

As you probably know, we have received four 6-month permits in the past. If there is any objection on your part regarding the importation of Canadian labor into this area of the State, please reply at your earliest convenience.

Sincerely yours,

RAYMOND C. HALL,
County Agricultural Agent.

Senator DOUGLAS. Who is responsible for bringing them in, the Immigration Service or the State department of employment security?

Mr. PARR. I would have to assume who was responsible. It would be the fact that we were unable to provide the employment security office in the city of Nashua with the type of workers that they desired to have brought in, that is, at the rate that they quoted.

In the truckdriving field, I also represent the Teamsters and Chauffeurs Union in the State of New Hampshire, and the rates that are quoted on these petitions are just out of this world as far as our wages are concerned, and the conditions under which they work.

Senator DOUGLAS. Will you mention the rates which have been approved for the importation of Canadian labor, truckdriving, compared with the union scale?

Mr. PARR. On the truckdrivers, in 1954 the one I first encountered was April 1, 1954, when the rate on the State employment service requisitions, so-called, called for \$1.25 an hour, as against our rate of \$1.71 an hour. The truckdriver-helper, at the rate of \$1.10 an hour, as against \$1.285 which was our helper's rate at the time, and plus the fact that they have to pay board and room in the camps. That is plus the fact that they have to pay, as it says—

Workers will be paid time and a half for time after 40 hours; charge for board and lodging will be \$2 a day, which has to be paid out of that rate.

That is a comparison of 1954. That is plus the fact that in our contracts for truckdrivers in the State of New Hampshire, we have paid holidays, and we have vacations with pay, and we have a health and welfare plan at this particular time. While I am talking on the truckdriver angle of it, I have personally observed in the city of Berlin these truckdrivers operated by Canadians, and Canadian-owned trucks, who operate around the clock. The only sleep those drivers get is when they are waiting at the so-called log pond, I believe it is, where they unload their logs at the Brown Co. there in the city of Berlin, and I have personally stood there and watched them sleep on the seats of their trucks. And when they get ready to unload them, they get up and unload, and they start out on a 30- or 40- or 50- or 70-mile haul, whatever it might be, back to get their loads loaded so they can get more cords in per day.

Our American truckdriver works 10 or 12 hours a day, or whatever is prescribed under the safety regulations of the Interstate Commerce Commission, and they have to make out logs to show their hours of service, and if they are in violation of it the truckdriver is liable for a fine or penalties under the Interstate Commerce Act.

These Canadian truckdrivers have no such restrictions placed upon them.

Now those things are things that are very detrimental to the worker in New Hampshire. I personally believe that it is something that

the Interstate Commerce Commission also should look into as to why these Canadians are allowed to work in violation of the safety regulations of the Interstate Commerce Commission.

I have a letter dated July 19, 1954, addressed to myself as president of the New Hampshire State Federation of Labor, from the Coos County Farm Bureau, Lancaster, N. H.:

This is to inform you that the Coos County Farm Bureau, Lancaster, N. H., is requesting a permit for the importation of 30 Canadian farm laborers. At the present time, the farm labor situation in the upper half of Coos County is rather acute. By importing a limited number of semiskilled farm laborers for a period of 6 months, it is hoped that the situation can be eased to some extent.

Farmers importing laborers will be expected to pay a wage between \$100 to \$150 a month, in addition to board and room.

As you probably know, we have received four 6-month permits in the past. If there is any objection on your part regarding the importation of Canadian labor into this area of the State, please reply at your earliest convenience.

RAYMOND C. HALL,
County Agricultural Agent.

I never knew about those four permits he mentioned.

Senator DOUGLAS. Did you protest?

Mr. PARR. Under date of July 22, I protested, and I haven't got a copy of it.

Senator DOUGLAS. Mr. Crawford, I notice you live in Lancaster.

Mr. CRAWFORD. That is right.

Senator DOUGLAS. Is there a shortage of farm labor in your county?

Mr. CRAWFORD. There hasn't been any shortage of farm labor come to my attention or knowledge, and I didn't know that there was one until Mr. Parr discussed it with me at the time it happened.

Mr. ANGOFF. If you attend a Lancaster Fair, Senator; it will take place Labor Day week, and if you attend that fair you will find the biggest Hubbard squash and the nicest tomatoes and the nicest calves, all raised by American labor, but mostly with good equipment. There is no need for any Canadian laborers up there.

Mr. SMYTH. It may be interesting to you to know, Senator, that the lumberjacks that put on the demonstration at the recent visit of President Eisenhower are the very ones that are now in Massachusetts cutting turnpikes.

Senator DOUGLAS. Did they leave as quickly as that?

Mr. SMYTH. Yes.

Senator DOUGLAS. They were brought up from Massachusetts?

Mr. SMYTH. They live in Berlin, but for that particular occasion, it was Mr. Dubby and Mr. Gonian, both of whom I know very well—they are outstanding chain-saw men, and they are in Massachusetts working, and not in Berlin.

Senator DOUGLAS. Did they bring the trout up from Massachusetts?

Mr. SMYTH. From Rhode Island.

Mr. PARR. I don't have the answer to that Coos County request with me. I am of the opinion that I turned it over to Mr. Randolph at the time, and I am of the opinion it is included in the briefs.

Further, I do not have the original letter which was sent to me in regard to the importation of the hotel and restaurant workers, but I do have an answer that I made in the New Hampshire newspaper in regard to it. [Reading:]

The petition asks authority to import 10 housemen at \$110 per month, board and room. There were 25 busboys at \$75 per month, board and room; and 15

dishwashers at \$110 per month, board and room; and 5 gardeners at \$115 per month, board and room; and 5 waitresses at \$60 per month, board and room and tips; and 10 bellhops at \$40 per month, board and room and tips; and 10 chambermaids at \$50 per month, board and room and tips.

That was the number of people that was requested for me to approve with the immigration authorities, to bring in to work.

Senator DOUGLAS. You protested, and it did not go through?

Mr. PARR. To the best of my knowledge, it did not go through. But I did receive a letter here from the division of employment security, where I protested to Mr. Salisbury, who was Director of the Immigration and Naturalization Service at St. Albans.

Senator DOUGLAS. You protested to the immigration officer of the United States Bureau of Immigration, and you get a reply from whom?

Mr. PARR. Well, I got no reply from them, but I did get a reply from the division of employment security in the State of New Hampshire. I will read it into the record:

SEPTEMBER 1, 1954.

Mr. HARRY PARR,

*President, New Hampshire State Federation of Labor,
Post Office Box 356, Hampton, N. H.*

DEAR HARRY: Mr. Salisbury's letter of August 30 to you states that a copy is being sent to me for appropriate attention. I can only say that the importation of Canadians for hotel work, if any, is being handled on exactly the same basis that importation of Canadians for woods work is handled. You will recollect the meeting held here in my office some weeks ago when the procedures and principles behind this type of importation were thoroughly discussed. I took it at that meeting that you learned a number of things about the procedure which served to set at rest some of the apprehension and provide answers to some of the criticisms you had previously had of the program. I was hopeful, therefore, that when this hotel business came to your attention, you would understand what was afoot and perhaps not be too violently critical until and unless facts were in hand to indicate that such importation would work to the detriment of New Hampshire's inactive labor force.

There is no point in going back over the ins and outs of this importation. They are pretty well covered in the summary of the meeting you attended here. When the season is over, we will have more facts and information as to how it worked out and, at that time, I would be very glad to further review the situation with you if you wish. I would like to say that I would certainly be no party to this program if I felt that the best interests of working people in New Hampshire, and most particularly those who are currently unemployed, would be jeopardized.

Sincerely yours,

NEWELL BROWN.

That is the answer I received from the division of employment security. I will submit that for the record.

Now I want to say, in referring to the part here wherein he refers to a meeting held in his office, that has been submitted in the exhibits by Mr. Angoff here as to that division meeting held in the city of Concord, N. H., and I don't think it had anything to do with the importation of hotel and restaurant workers.

I believe the entire subject matter in that was pertaining to the importation of Canadian bonded woodsmen, truckdrivers, or people employed within the woods.

After my letter or after my protest and my interview with the news reporter in the city of Manchester, N. H., I received from hotel and restaurant workers all over the State of New Hampshire letters that thanked me for taking up their problems in the State of New Hampshire, and trying to protect them from the importation of Canadian workers into the State of New Hampshire.

I have letters from hotel chambermaids where their wages are 33½ cents an hour in the State of New Hampshire, and they were trying to fill the rolls of these summer hotels, wherein these people who operate these resort hotels up there charge the top dollar for everything you get, and they were seeking to bring these people into this country here to work at a very low rate of wages, even though our own people, who are dependent upon that business for their livelihood, are receiving as little as 33½ cents an hour.

I did protest it very strongly, regardless of what the division of employment security has to say in that letter, because I felt it was my obligation as president of the New Hampshire State Federation of Labor to try to protect the people, whether they are organized or unorganized, against these people who are seeking to bring in cheap labor into our State up there, when there are all kinds of people available for that type of work in the hotels and restaurants, and also there were all kinds of people who are available for the apple-picking season.

We have hundreds of them in the State of New Hampshire who are available to go out and pick apples, who depend on the money that they might get out of that apple-picking season perhaps to send them back to college and acquire an education. But still they seek to bring them in from outside of the borders of this country.

I want to thank the committee for giving me the opportunity to express the position of the State federation of labor. I honestly and sincerely believe that if the Senate would see fit to conduct an investigation into the entire problem of Canadian bonded workers coming into this country, it would at least clear the air so that we, as representatives of labor, would know whether we are right or wrong, and it would also give the employers the opportunity to know whether their position is right or their position is wrong.

Thank you very kindly.

Senator DOUGLAS. Thank you, gentlemen, for coming.

That will be all for this morning. The committee will stand in recess until tomorrow morning at 10 o'clock, and the witnesses then will be Benjamin J. Dorsky, president of the Maine State Federation of Labor; Richard W. Justin, secretary-treasurer of that organization; and also Mr. Gordon W. Tiffany, committee on imports, American Pulpwood Industry, of Concord, N. H.; and Mr. Smith C. McIntyre, Aroostook Farm Labor Association.

It may be Mr. Tiffany might bring along another witness representing one of the companies which employs Canadian labor.

Thank you.

(Whereupon, at 12:40 p. m. Thursday, July 21, 1955, the hearing was recessed, to reconvene at 10 a. m. Friday, July 22, 1955.)

IMPORTATION OF CANADIAN BONDED LABOR

FRIDAY, JULY 22, 1955

UNITED STATES SENATE,
SUBCOMMITTEE ON LABOR OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D. C.

The subcommittee met at 10 a. m., in room P-63, United States Capitol, Senator Paul H. Douglas (chairman) presiding.

Present: Senator Douglas.

Also present: Stewart E. McClure, staff director; Roy E. James, minority staff director; John S. Forsythe, general counsel; Frank V. Cantwell and Michael J. Bernstein, professional staff members; and Grover C. Smith, chief clerk.

Senator DOUGLAS. The committee will come to order.

The first witness today is Mr. Benjamin Dorsky, president of the Maine State Federation of Labor, and Richard W. Justin, executive secretary of the Maine State Federation of Labor. I wonder if these people would come forward and take their seats at the table.

STATEMENT OF BENJAMIN J. DORSKY, PRESIDENT OF THE MAINE STATE FEDERATION OF LABOR

Mr. DORSKY. Mr. Justin is unable to be here, Senator.

Mr. Chairman, my name is Benjamin Dorsky, and I am the president of the Maine State Federation of Labor.

Senator Smith yesterday in her statement to the committee said that allegations were made regarding the importation of Canadian bonded woodsmen in the lumber industry. The problem is not new insofar as the State of Maine is concerned. It dates back quite a number of years.

Specifically, following the Second World War, numerous people who ordinarily would be employed in the woods came to my office and asked if something could be done in obtaining employment for them in the woods because they themselves had attempted to obtain employment and found that in going to the place of employment, Canadians were working there and they were not able to obtain that employment, although the law specifically states that if an American worker is available, he shall be given the opportunity to retain the job.

In several cases we called the attention of the Immigration Service to this particular problem, and they sent in individuals to these various locations. For some reason or other, they reported back that prior to the men being able to get on the job, the Canadians had disappeared and only Americans were there in the camps.

I asked several times for a further investigation of the problem. Each time we attempted to do something, because of lack of manpower and lack of finances, we were unable to do a complete job.

Several years ago, I would say in 1953, the problem became so acute we tried to ascertain the number of importations into this country of Canadian woodsmen, specifically in the State of Maine. We found that the figure totaled approximately 13,600 at that time. Possibly this was high. Out of that, I would say that 6,500 or so were farm laborers, which we have no complaint about because we realize the situation is that they need the importation of Canadians in order to harvest the crop.

Senator DOUGLAS. Then you are not complaining about the importation of Canadian labor for the potato crop?

Mr. DORSKY. Definitely not. We realize that is a short season, and they are needed.

So far as the woods are concerned, there are approximately 7,000 Canadians, and that does not mean that 7,000 Canadians were brought into this country to work in the woods. We at that time did not know just what the category of the individuals being brought in were.

We went to the Department of Labor, and I believe a Mr. Goodwin, who was head of the particular department—

Senator DOUGLAS. That is the United States Department of Labor, and Mr. Goodwin is head of the Bureau of Employment Security.

Mr. DORSKY. I believe so.

We had the procedure changed regarding the submission of an application for the importation of Canadian labor. Prior to this, the application was just a sheet of paper saying, "We need so many people to work in the woods."

There was no designation as to trade or occupation, or anything else, other than just plain "woodsmen." The form was changed where specific categories were listed, and the number requested was in a separate column, for the wages paid, and board and room charge. That gave us a definite picture as to what the operation in the woods was.

We then found that a good many operators on mechanical equipment were being employed, and the operation had changed completely from the old days of the horse and the individual, to tractor, bulldozer, crane operator, and so on, with mechanical equipment.

Now, I have here a letter from an individual who requests the employment of a blacksmith, the importation of a blacksmith from Canada. This is somewhat on the same form that we had in the old days, prior to the new form that was submitted to the employment service. This one here was received, or written July 12, 1955. It says:

AMERICAN FEDERATION OF LABOR OFFICE,
Bangor, Maine.
(Attention Mr. Dorsky.)

DEAR SIR: I would like a letter from you stating the availability of a blacksmith to work in this area.

If no letter is received by me within 6 days of the above date, I will automatically take it to mean that there are no blacksmiths available.

Apparently there is some system whereby this individual can automatically receive authorization to import a Canadian blacksmith without any further ado providing we have no objection to it. That is apparently what he means.

I will leave this letter with the committee; however, I would like to have it returned to me.

Senator DOUGLAS. That will be made a part of the record.

(The letter referred to follows:)

THE FORKS, MAINE,
July 12, 1955.

AMERICAN FEDERATION OF LABOR OFFICE,
Bangor, Maine.

(Attention Mr. Dorsky.)

DEAR SIR: I would like a letter from you stating the availability of a blacksmith to work in this area.

If no letter is received by me within 6 days of the above date, I will automatically take it to mean that there are no blacksmiths available.

Yours truly,

RICHARD WALLINGFORD.

Mr. DORSKY. The matter of importations in the northern part of Maine, on the Canadian border, is quite a history, and possibly it would fit in with the allegations that Senator Smith mentions were being made regarding this.

That is where individuals in the towns of Fort Kent, Allagash, and all through the so-called St. Johns Valley up there were deprived of employment, and Canadians were working.

The original complaint to our office came not from the workers themselves, but from small merchants in those areas who lose business and were feeling the effects of the unemployment of the Americans in that particular section.

It finally ended up in an organization of woodsmen up there, numbering approximately 100. They were unable to meet with management or negotiate in any form.

We did find there that the system used in determining wages, which averaged from \$5.50 per cord up to say about \$7 or \$7.50 and in some cases \$8—incidentally, this is mostly in the pulpwood industry, Mr. Chairman, to furnish the sawmills—we found that the employment security agency was sitting down and taking figures submitted to them by the employers as to what would be paid for the particular job.

The individual worker had no opportunity to state whether or not he would work for that, if it was a case of work or not work, and take what he could get.

Fortunately for those people in that area, the airbase was being constructed there, and they were able to go to work.

Senator DOUGLAS. What is that?

Mr. DORSKY. The Loring Air Force Base was being constructed in that area.

Now, over the years, because of the inability of the Americans to obtain work and earn a decent wage, he had migrated from that area down to our industrial centers. That happened until a good many thousands of them were fitting into the textile mills and the shoe factories and about 2 years ago, or a year and a half ago, I would say roughly, unemployment became quite rampant there.

Senator DOUGLAS. You are speaking of the upper St. John Valley?

Mr. DORSKY. That is right. Those people who had migrated from that particular valley down into the cities of Lewiston, and Biddeford, and so on and so forth, found that there was no employment for them. They were going back to their own particular areas, and they desired an opportunity for work and couldn't find it.

The complaint immediately came down to us, and they asked if something could be done to displace these Canadians. Again we went to the Immigration Service and we protested to the employment security commission. Incidentally we have a tripartite commission in the State of Maine whereby labor has a representative on that commission and our protests are verbally passed to him, and through him to the commission. Apparently nothing could be done in that particular case.

Even management recognized that these people had gone back to their homes from the industrial centers, because at the last session of our legislature, a bill was introduced denying these people the right to obtain unemployment compensation if they moved away from the area in which they worked because of not being available for work in that particular area. Apparently, management has recognized that problem is there.

Senator DOUGLAS. What you are saying is that the closing down of the textile mills in lower Maine through merger and otherwise, caused the Americans of French stock who had come from upper St. John Valley to return there, and when they returned they found that the woods work in which they or their fathers formerly engaged in was not available because Canadians were being brought over the line. Is that right?

Mr. DORSKY. That is correct, sir.

Last winter we had another problem face us in the case of issuing visas. This happens to be in the area of Senator Smith's home. There we found the small contractor who had purchased trucks, tractors, and bulldozers and so on and so forth, who had contracted out to do this work in the woods of hauling pulp and long lumber and so on, was placed in direct competition with Canadians doing the same type of work. The statements made to me were that "we offered to do a job for a certain amount. The Canadians would do the job for 25 cents cheaper and the Canadians would get the work."

The situation became so acute that newspapers were making headlines out of it. I went to our Governor, Governor Muskie, and stated the problem to him and asked if something could be done for the State. He suggested that I get approximately 7 or 8 people from that particular area, and he would call in the customs, immigration, and employment security commission people, and employer representatives and see if something couldn't be worked out.

The situation being as it was in that particular area, instead of 7 or 8 people coming down, they had a march to the State House and shifted the hearing from the Governor's office to the senate chamber. I believe you have a transcript of that particular hearing.

The situation still has not been corrected. Those people up there are waiting to see what the Federal Government will do to help them.

This whole situation apparently as near as we can gather, the requests for importation of Canadians either bonded or through visa, go to the employment security commission.

Senator DOUGLAS. They are made out by the employer?

Mr. DORSKY. That is right.

Senator DOUGLAS. And they go from the employer to the employment security commission?

Mr. DORSKY. That is right; and from them they state whether there are people of American stock available or not.

Senator DOUGLAS. Who states that?

Mr. DORSKY. The employment security commission. It goes to the Immigration Service who in turn notifies us to see if we have any objection. Others I believe are also notified, and we are given approximately from 6 to 10 days to find whether we have people available to do that work. In making our request to our organizations, and especially among the truckdrivers and the engineers, the immediate answer is that we cannot send our men up there for the wages paid.

As an example, an engineer, an operating engineer, whose ordinary pay would be approximately \$2.75 an hour, is offered \$1.20 in the woods. If he goes up there he is lost out of the labor market insofar as other work is concerned. It is impossible to fill those jobs with Americans because of the depressed wage, and the wage is set between—

Senator DOUGLAS. What about choppers and sawers?

Mr. DORSKY. That we have none and we have said that people who came to our office and made complaints and be denied employment. We have complained to the employment security commission saying that they are not available. The methods that they use in determining whether or not these people are available is something that I don't really know. I suppose they advertise in the paper.

Senator DOUGLAS. Is there an employment office at Fort Kent?

Mr. DORSKY. Yes, and they have itinerant people who go out and recruit. At the same time, these people that have been making complaints to us are the small farmer who farms in the summertime and goes into the woods for cash money during the winter months. Those are the people who have been complaining and come to the office and complain.

Now whether or not there has been collusion between the employer and the employment service, I don't know, and I have no way of proving it. I think an investigation might bring it out.

But the matter of wages becomes important, in order to secure available people for that particular job. The mechanization of those operations is such that the individual who is capable of doing construction and the use of equipment, such as bulldozers, and other equipment could be very well used in the woods. The truckdriver who trucks and drives trucks could easily go into the woods. Yet Canadians apparently have preference there and obtain the jobs.

Senator DOUGLAS. Can you find out where the Canadians who are being brought into Maine come from? The testimony yesterday was that those who came into New Hampshire came from the eastern townships of Quebec and south of Sherbrooke. That would be west of Maine.

Mr. DORSKY. I would say that would be precisely about the same location, and possibly a little to the east.

Senator DOUGLAS. Are you getting Canadian labor from New Brunswick?

Mr. DORSKY. Yes, some, but mostly from the province of Quebec.

Senator DOUGLAS. Mostly from Quebec?

Mr. DORSKY. That is my understanding. As I understand the situation up there, and I have never been up there to see this, but they tell me that on the Canadian side of the river, or the customs offices, there are lines in the morning and the so-called jobber or superin-

tendent goes out and says "this one, and this one," and just picks them out and has them come over.

Senator DOUGLAS. Where is that, at Fort Kent?

Mr. DORSKY. Or the Allagash, around that particular area.

Senator DOUGLAS. Those would be Canadians from New Brunswick?

Mr. DORSKY. Yes, and some from the Quebec on the other side of the line.

We cut into Quebec on one part there. I do want to make this statement, Mr. Chairman, in regard to our pulp mills, and paper mills in the State. I personally believe, and I see no evidence otherwise, that they themselves, in their own operations, have attempted to do a good job in supplying work for Americans and employing Americans wherever they possibly could.

Senator DOUGLAS. You mean at the mills?

Mr. DORSKY. Yes, and also in the woods operation, to supply the camps and everything else.

Senator DOUGLAS. Now you are speaking of the Great Northern?

Mr. DORSKY. I am speaking of Great Northern, Homesworth Whitney, the Brown Co. as far as I know, but these jobbers that they have, and the small contractors, are the violators.

What has happened up there is more than I and my organization have time to investigate to find out what the truth of the whole matter is.

So the problem actually is to obtain these jobs for Americans who are being deprived of the opportunity to earn a livelihood, and also to obtain a decent wage for them so that their standard of living will not be lowered.

I honestly believe that the wages paid in the woods today might have fit the old time woodsman but the youngster of today is not given opportunity to go into the woods and learn the trade because of the depressed wage that he is faced with.

Senator DOUGLAS. Now, may I ask this: You have mentioned engineers, and I suppose you mean men who run bulldozers?

Mr. DORSKY. Yes; and cranes, and so on.

Senator DOUGLAS. What about the choppers and sawers? How much are they paid now? How much are the Canadians paid?

Mr. DORSKY. As I recall the sheets that we received on that, it ranges anywhere from \$5.50 a cord upward to approximately \$7.50.

Senator DOUGLAS. Now, Mr. Smyth testified yesterday, and if he is in the room, I hope he will correct me if I misstate his testimony. I think he used the phrase that "a good day's work would be 3 cords." Is that right?

Mr. DORSKY. The average day's work would be 3 cords providing they had decent cutting. Now, there was another problem that comes in.

Senator DOUGLAS. I would like to raise the question to you that I raised with Mr. Smyth, that at 3 cords, even at the lowest rate of \$5.50, that gives a gross of \$16.50 per day. Now, out of that I know must come the repair—by the way, is the practice in Maine that the woodsman must bring his own saw with him?

Mr. DORSKY. That I cannot say, I don't know enough about that. I do know that they have to pay board of \$2.40 or \$2.60 a day. That is board and room.

Senator DOUGLAS. That would bring it down to \$14.

Mr. DORSKY. As far as the saw is concerned, Senator, I really could not say. I would assume that possibly they would have to bring their own saws if they are going to cut that way. As I understand the operation in the St. John Valley, it works this way:

Two men go into there, and one cuts and one drags it out. It is purely a manual operation. If they have a chain saw, they have to have the horse and man to drag the logs out and pile them.

Of late years I have been hearing more and more about the mechanical saw, and I would assume in the large companies, they possibly might furnish the saws for the men. In a small operation the men would have to furnish the saw themselves.

That is a farmer coming into that point.

Senator DOUGLAS. The point I am trying to make is that unless there are great deductions, and I am trying to be objective about this, unless there are great deductions, this does not seem to be a case of exploitation so far as wages are concerned.

Mr. DORSKY. Well, Senator, let me point this out to you, that this figure of 3 cords a day is true if the individual can stay in a confined area, and cut those 3 cords. But when he has to jump from place to place over possibly a half-mile area to get the 3 cords, he can't do it. If you say any part of the woods—I think in your own statement you have been in the woods yourself, you know how sparse cutting can be at times. Well, it is doubtful whether he could cut 3 cords.

Senator DOUGLAS. Is hardwood cut now as well as softwood, for pulp?

Mr. DORSKY. To some extent.

Senator DOUGLAS. That means that you can cut in a smaller range than used to be the case.

Mr. DORSKY. That is possibly true.

Senator DOUGLAS. You can take the hardwood trees as well as the softwood trees and you do not have to hunt out the softwood trees.

Mr. DORSKY. As I understand they have to segregate the wood. There is a certain portion of the hardwood that goes into the pulp mills, in conjunction with the softwood for their operation. I really do not know the mechanical setup of that arrangement.

But there again, where the American worker is employed, he is given the sparse places to cut and the Canadian is given apparently the best locations to cut.

The Canadian moves in with his whole family. He settles into a camp that he builds up himself, and the family may be composed of a man and his wife and 5 or 6 or 7 children or whatever it is, and the youngest may be 4 or 5 years old, and he is used for cutting out the brush. Everybody works in the family. Investigations have shown there too that young boys of 18 or 19 years old turn up with possibly 7 or 8 or 10 dependents.

Senator DOUGLAS. Is that an actual case?

Mr. DORSKY. I am only repeating to you the stories told to me, and I really don't know myself.

We also find, too, that the Wage and Hour Division has gone in there and has made investigations and they find some violations of the wage-and-hour law there and child-labor laws. What has happened in that particular case, I don't know. Apparently it has been buried somewhere and that is the end of it.

The whole problem of bonded woodsmen and the issuing of visas by the State Department for these people to come into the State has definitely created a condition of unemployment for Americans. I believe that an investigation by the Federal Government will show that possibly the State employment security commissions have been in error and have gone beyond their means of making determinations as to wages paid and as to availability of Americans and that correction of some sort should be had.

Senator DOUGLAS. Did I understand you to say that representatives of labor had one place on the employment security commission?

Mr. DORSKY. Yes.

Senator DOUGLAS. Who has he been?

Mr. DORSKY. Mr. Joseph Cote, C-o-t-e, that is his name.

Senator DOUGLAS. What union?

Mr. DORSKY. The Pulp and Sulphite Union.

Senator DOUGLAS. Would he not have a chance to check the applications which come in from the employers?

Mr. DORSKY. He is one man on a commission, and under our law, if any of the commissioners are sick or unavailable, the chairman acts as the full commission, and unfortunately we have had a change in commissioners in the last 2 years from the labor representative by the name of Fortin who died recently, and the employer representative who was sick for around 11 or 12 months, so that the chairman acted for the full commission.

Senator DOUGLAS. Mr. Cote was there?

Mr. DORSKY. Yes, but he had no right under the law to act. Chairman Fortier acted for the full commission because the industry member was not able to be present.

Senator DOUGLAS. I do not understand that.

Mr. DORSKY. We have a tripartite commission, and we have a representative of industry and a representative of labor and a representative of the public, who is chairman. If the industry member or the labor member is not able to take part in the duties of the commission, then the opposite member disqualifies himself, so that the chairman acts for the full commission.

Senator DOUGLAS. Well now, has Mr. Cote protested these permits?

Mr. DORSKY. Yes, he has, at our request. He has protested.

Senator DOUGLAS. Has he been able to furnish you with information as to the wages paid and the numbers brought in?

Mr. DORSKY. He didn't have to furnish us, the Immigration Service sent us these slips from every request.

Senator DOUGLAS. And you have copies of those slips?

Mr. DORSKY. I do not, but I believe Mr. Smyth gave you some in his presentation. I believe Mr. Angoff also gave you some of them.

Senator DOUGLAS. I am informed that we have some from New Hampshire but none from Maine.

Mr. DORSKY. They are simliar in Maine as they would be in New Hampshire.

Senator DOUGLAS. Could you get us copies of those very quickly?

Mr. DORSKY. They are back in the office, Senator, and when I go back I can mail you some. That is the best I could do for you.

Senator DOUGLAS. I wish that you had brought the evidence down with you.

Mr. DORSKY. Unfortunately, notice of this hearing came so suddenly that I didn't get back to the office until Monday morning, and the telegram had arrived Friday. Before I had things cleared, I happened to bring this, it was the only one I had at the time. I could send you copies that I received from the Immigration Service of the requests which were made.

Senator DOUGLAS. Well, I must say that what puzzles me is this question of the wage. How much have the American woodsmen in the St. Johns Valley been accustomed to receive per cord?

Mr. DORSKY. Senator, that has been a puzzle to all of us.

Senator DOUGLAS. Pardon me?

Mr. DORSKY. That has been a puzzle to the whole of us, as to the wage. The wage is a wage that has been set by the employer and apparently given to the employment security commission for them to advertise.

Senator DOUGLAS. How much did the American workmen get before the Canadian workmen were employed under bond?

Mr. DORSKY. They get the same thing.

Senator DOUGLAS. No; I mean before the Canadians were brought in.

Mr. DORSKY. The Canadians have been coming into this country in the American woods, I would say, from the beginning of the war.

Senator DOUGLAS. And it never stopped?

Mr. DORSKY. Never to my knowledge. Possibly it slowed up at times but they have never stopped. The request is quite high but it is never used in total, from what I understand.

Senator DOUGLAS. Now, have the Canadian woodsmen done all of the work in northern Maine, all of the woods work in northern Maine for 15 years?

Mr. DORSKY. Not all of the work. There have been some Americans employed.

Senator DOUGLAS. Have the Canadians done the majority of woods work?

Mr. DORSKY. From what I understand; yes.

Senator DOUGLAS. Has the wage been successively reduced year by year?

Mr. DORSKY. In the last 4 or 5 years I would say that they have come down \$1 or \$2 per cord, as far as those people are concerned.

Senator DOUGLAS. From \$7.50 per cord to \$5.50 per cord?

Mr. DORSKY. That is right.

Now, in the case of a small contractor who does the hauling, that is a different proposition where the visa enters into the picture. The State Department gives a visa for these people coming in here. We have no notice of that, and we have no way of determining it other than the people coming down and protesting to us, because of the competition from Canadian labor.

Senator DOUGLAS. You say the woodsmen are brought in under bond, and the truckers are brought in by visa?

Mr. DORSKY. No; this other situation on the Jackman and Dingham area, where the protests came to us from these small contractors that do hauling and roadbuilding. That is a different proposition apparently where there are some bonded people cutting in the woods there, but these small contractors come in from Canada under visa, and they are allowed to compete with the Americans for the particu-

lar job. That is a separate complaint. That has come to our attention as of about the middle of January of this year.

Senator DOUGLAS. Do you think there is enough labor in the upper St. Johns Valley to do the lumbering in northern Maine?

Mr. DORSKY. No; I wouldn't say so, not under the present status, because the young people have gotten away from woods operations, because of lack of opportunity to go into the woods and learn the trade. But there are still a goodly number who own their own farms, for instance, and cut off their own, who would go into the woods during the winter months. In fact, that would be true throughout the State.

Senator DOUGLAS. It does not take too long to train a moderately skilled woodsman.

Mr. DORSKY. You would know more about it than I would, Senator, I have never been in the woods. Apparently, from what I understand, it is a matter of several weeks—would be sufficient training. Skills are available, of course, if the wages are paid. If wages are paid comparable to wages in other jobs for the same skill, that could be done.

Senator DOUGLAS. Well, the families are large in the upper St. Johns Valley, and I would expect there would be a large number of young people there.

Mr. DORSKY. I believe you are right.

Senator DOUGLAS. You say they formerly came south and went into the textile mills?

Mr. DORSKY. Textile and shoe mostly.

Senator DOUGLAS. And now they are moving back?

Mr. DORSKY. Yes, and some of them have gone out of the State and gone into Connecticut, primarily, to the large manufacturing centers, and the lack of employment opportunities there force them to go back to their homes, and they are slowly moving back to the northern part of the State.

Senator DOUGLAS. Do I understand that this is your point, that you think perhaps, and I am not trying to put words in your mouth, and correct me if I am wrong, but are you saying that probably some Canadian workmen should be imported, but that an excessive number are being imported?

Mr. DORSKY. My own observation would lead me to say that; yes. I would roughly state, and I think my contention here would be borne out, because this year the requests that would ordinarily come around April and September, I believe, in the 6-month period, are not as numerous as they have been in past years.

Now, whether that is a result of what has been going on in the State of Maine, the various protests and hearings and so forth, I do not know. But they have not come in as large in numbers as they have in the past.

Senator DOUGLAS. How many months a year will the native workmen work in the woods?

Mr. DORSKY. I would say around 6 or 7 months.

Senator DOUGLAS. And they have a small farm that they cultivate in the spring?

Mr. DORSKY. The majority of cutters will have small farms, yes. Either they cut on their own farms or they go to the woods.

Senator DOUGLAS. There is little winter employment?

Mr. DORSKY. Very little. Construction at one time has gone over the winter months, of late they have come back to the summer months.

Senator DOUGLAS. Have the relief rolls in the upper Saint Johns Valley increased?

Mr. DORSKY. To some extent. Our system of unemployment insurance has helped out greatly but one outstanding example is a small town of Ashland, where the teachers were not paid for a good many years because there was no money in the town, and they finally found some money, waiting for the potato crop, and those people might go into the woods and be able to pay their taxes. That I have no proof of, and this is just a summation on my part of what the situation was up there and the inability of those people to pay taxes led to the nonpayment of the teachers for several months.

Senator DOUGLAS. What town was this?

Mr. DORSKY. Ashland.

Senator DOUGLAS. Well, unemployment is rather high in Maine, is it not, and when I last looked at the figures, Portland had a high ratio.

Mr. DORSKY. Well, it is pretty close to 10 percent of the complete work force are unemployed.

Senator DOUGLAS. In the Portland area?

Mr. DORSKY. All over the State as a whole. The highest would be around Sanford and Biddeford areas where the mills have liquidated.

Senator DOUGLAS. That is where the mills have closed down?

Mr. DORSKY. Yes, sir.

Senator DOUGLAS. Do you have any suggestions as to what might be done?

Mr. DORSKY. Well, Senator, the only thing I really would like to know is what has taken place there, and who is doing what in this whole operation? Apparently the black sheep in the whole deal is the employment security commission and from the testimony given yesterday, it seems to be the same in New Hampshire as it is in Maine, that that particular agency has control of setting wage rates, and whether or not people are available.

Senator DOUGLAS. Has the vacancy of the employer been filled in Maine?

Mr. DORSKY. Yes, we have a full commission at the present time, and I believe the transcript that you have there will show that.

Senator DOUGLAS. If you have a full commission, and the employer attends, then the representative of the union is privileged to vote?

Mr. DORSKY. But he has 1 vote out of 3.

Senator DOUGLAS. Does he make protest, periodically?

Mr. DORSKY. Apparently he does.

Senator DOUGLAS. Is he always overruled?

Mr. DORSKY. Well, to my knowledge he has been.

Senator DOUGLAS. Well, that is a guarded answer. Can you be any more definite on that to your knowledge?

Mr. DORSKY. Well Senator, as I don't attend the meetings, I can't be too specific on that. I must give you the statement as made to me.

Senator DOUGLAS. Mr. Smyth, would you come forward, please?

STATEMENT OF PHILIP E. SMYTH, INTERNATIONAL REPRESENTATIVE OF THE INTERNATIONAL BROTHERHOOD OF PULP, SULPHITE, AND PAPER MILL WORKERS, BERLIN, N. H.

Senator DOUGLAS. You are a regional official of the union there? Is Mr. Cote the workers' representative in Maine of the same union?

Mr. SMYTH. He is not a representative of the union. He was a member when he worked in the Livermore Falls plant of the International Paper Co., and he was a member of our organization.

Senator DOUGLAS. Have you had conversations with him?

Mr. SMYTH. I have never met the man, sir.

Senator DOUGLAS. Mr. Crawford, have you ever had conversations with Mr. Cote?

Mr. CRAWFORD. No, I never have. I have never met the gentleman.

Senator DOUGLAS. Have you ever conversed with Mr. Cote, Mr. Dorsky, on this subject?

Mr. DORSKY. Many times.

Senator DOUGLAS. Well, what has been his explanation as to why the permits are being issued in these numbers?

Mr. DORSKY. His explanation to me is that the employer submits the wage rate, and that is accepted by the Commission.

Senator DOUGLAS. Does he protest?

Mr. DORSKY. His statement to me has been that he has protested.

Senator DOUGLAS. But that he is always overruled by the commissioner?

Mr. DORSKY. Apparently so. We have requested through him that meetings be set up whereby all parties concerned may have the opportunity to set wage rates, and we have never been given the opportunity to do that.

Senator DOUGLAS. For how long is the commissioner selected?

Mr. DORSKY. That is done by the Governor.

Senator DOUGLAS. The commissioner has held office for some time?

Mr. DORSKY. Yes, the appointments are generally for 6 years, and each succeeding Governor upon the expiration of the term, either reappoints or appoints a new man.

Senator DOUGLAS. When was Mr. Fortier appointed?

Mr. DORSKY. I think this is the second term, and it was about 12 years ago.

Senator DOUGLAS. He is appointed for 6 years?

Mr. DORSKY. Yes, sir.

Senator DOUGLAS. When was he last appointed?

Mr. DORSKY. Two years ago.

Senator DOUGLAS. And therefore will hold office for 4 more years?

Mr. DORSKY. Yes.

Senator DOUGLAS. Have you ever talked to Mr. Fortier about this matter?

Mr. DORSKY. I have talked with Mr. Fortier, and I brought in representatives from the various areas to talk to him about the situation there, and we even discussed with him the operation of some of his offices where the managers were operating insurance or bonding companies on the side.

Senator DOUGLAS. What is that?

Mr. DORSKY. Where the managers of his offices were operating bonding companies, that is, agents for bonding companies, where they bonded the Canadians and sold the bonds to the Canadians coming into this country. Apparently some corrections have been made, and in one particular office, we know that the manager of the office has turned the business over to his wife, and his wife is now conducting the bonding business.

Senator DOUGLAS. I want to get this straight, if I can. You mean to say that a State employee was also acting as an agent for the importation of Canadian labor?

Mr. DORSKY. He was acting as an agent to supply the bonds for the Canadians coming over the line.

Senator DOUGLAS. The more people brought over, the more bonding business there would be?

Mr. DORSKY. The more money he got; yes, sir.

Senator DOUGLAS. Can you give the names of these employees who were in this bonding business?

Mr. DORSKY. I really don't know. I know that former Representative Watson from Jackman originally came to me with that particular complaint, and we went to Mr. Fortier with it, and it took several years, and apparently that change was made.

Senator DOUGLAS. What change?

Mr. DORSKY. Whereby the operation of that particular agency in that Jackman area was turned over from the individual to his wife, so that his wife now conducts the business. He retains the State job, as head of the office.

Representative Shore from that particular area, who was elected in the last legislature, came down with the same complaint, and plus the operation of the visa system on the small contractor. We went to Mr. Fortier with that, and we got no results.

That eventually brought the thing to a head, where we had the meeting with Governor Muskie, and these individuals, as the transcript will show.

Senator DOUGLAS. Has that been common practice among the agents of the Employment Security Commission in Maine?

Mr. DORSKY. Senator, I honestly wish I could say yes and be factual about it, but I cannot. I can repeat hearsay as to what transpired in various offices, and yet I would not dare say it was factual or not.

Senator DOUGLAS. Are you fairly clear about the Jackman case?

Mr. DORSKY. That has never been cleared. You mean the matter of bonding?

Senator DOUGLAS. Yes.

Mr. DORSKY. Oh, apparently that business has been turned over to the individual's wife and she is now conducting the particular business, and he is confining his time to the State.

Senator DOUGLAS. Do you remember the name of the employee in that office?

Mr. DORSKY. No, I do not.

Senator DOUGLAS. Who filed these requests for Canadian labor? Do the big paper companies file the requests, or the jobbers?

Mr. DORSKY. Mostly jobbers. The Great Northern Paper Co. sometimes, and the Brown Paper Co., but not too many. The vast ma-

majority come from these jobbers. They range anywhere from requests for 50 up to five, six, or seven hundred people for importation.

Senator DOUGLAS. Well, no jobber could employ as many as five or six hundred.

Mr. DORSKY. I don't know.

Senator DOUGLAS. The jobbers would have to be pooled to do that.

Mr. DORSKY. In the Ashland area, I think 2 years ago there was a large operation there by the Great Northern Paper Co., but not directly by them, but through one of their jobbers that employed quite a few people there, and it is quite an operation.

Senator DOUGLAS. Is there any possibility that the pulp and paper companies help to recruit the labor for their jobbers?

Mr. DORSKY. Well, the Great Northern Paper Co. does have a recruiting office in the city of Bangor, and whether they have any in Canada, I don't know.

Senator DOUGLAS. That would be for the pulp and paper mills?

Mr. DORSKY. No, for wood operations.

Senator DOUGLAS. But the question is whether in bringing Canadian labor over the line, there is centralized recruiting carried on by the mills on behalf of their jobbers.

Mr. DORSKY. I am not prepared to make a factual statement on that.

Mr. DOUGLAS. Mr. Smyth, could you answer that?

Mr. SMYTH. I didn't understand the question, sir.

Mr. DOUGLAS. Yesterday you said that the Brown Co. had a recruiting office of the line in Canada?

Mr. SMYTH. Yes, sir.

Mr. DOUGLAS. And apparently from this recruiting office woodsmen were brought into New Hampshire?

Mr. SMYTH. Yes, sir.

Mr. DOUGLAS. Were they brought in simply for work in the camps of the Brown Paper Co., or were they also supplied to jobbers who supplied timber to the Brown Paper Co.?

Mr. SMYTH. The system in New Hampshire, and I am speaking of New Hampshire—but the majority of these people are working for Brown Co. in the State of Maine, in the Parmachenee area, and their system there is that the petitioner, if it is a jobber, petitions the Immigration Service himself.

Senator DOUGLAS. They do not go through the employment security commission?

Mr. SMYTH. First they go through the employment security division and the petition has their names on the petition to the Immigration Service. If he is a jobber, he petitions. The Brown Co. operates their own camps and when they operate their own camps they petition.

Senator DOUGLAS. I understand. But then you have to recruit the labor in Canada, or in Quebec. Who does the recruiting in Canada?

Mr. SMYTH. At the present time, Leo Nedeau, who has a contract with Brown Co. for 30,000 cords. It is my understanding that he has now in excess of 100 Canadian bonded men in his camps, and that he operates 2 or 3 camps in the Parmachenee area. He gets his men as the Brown Co. has a man in Coaticook and they supply him with the bonded men, although he has the petition.

Senator DOUGLAS. The Brown Co. supplies him with bonded men?

Mr. SMYTH. He may have selected a few of his own.

Senator DOUGLAS. So that what you are saying is that, in this case of Nedeau, the Brown Co. recruits the men for him in Canada?

Mr. SMYTH. That is correct, sir.

Senator DOUGLAS. Do you think this is a general practice of the Brown Co. in relationship to their jobbers?

Mr. SMYTH. Yes, sir. At the present time the Brown Co. has, to my knowledge, in Leo Nedeau, his jobbing; and there was a fellow by the name of Bennett that is jobbing; and a gentleman by the name of LaFleur who is jobbing. LaFleur is jobbing in the so-called Bog Brook area which is in New Hampshire. It is fairly handy to the city of Berlin, and I don't think he has any bonded men at the present time. The Brown Co. is operating a camp of their own in the Millsfield area, which is very handy to Berlin also.

To my knowledge they have four bonded men in the Millsfield camps.

Senator DOUGLAS. You are speaking of Bennett as being a jobber?

Mr. SMYTH. He is in the so-called Abbott Brook area in Maine.

Senator DOUGLAS. Does the Brown Co. recruit labor for him in Canada?

Mr. SMYTH. I couldn't say positively about Bennett.

Senator DOUGLAS. But you can speak positively about Nedeau?

Mr. SMYTH. Yes.

Senator DOUGLAS. Mr. Dorsky, can you make any statement as to whether Great Northern recruits labor for its jobbers in northern Maine?

Mr. DORSKY. No; I couldn't, Senator. I have been told about it but I couldn't honestly give you a statement that would definitely pinpoint the question that you ask.

Senator DOUGLAS. Well, gentlemen, do you have anything else to add?

Mr. SMYTH. Could I say this, that in regard to the wage structure it is confusing. To the extent that there is a variation that is true. You may find a rate in our exhibit that will run to \$9.50 a cord. That would be only on peeled wood, and so it varies whether it is peeled or unpeeled, or skidded or nonskidded, or yarded.

When I mentioned the figure of \$6 a cord, I had in mind pulpwood and at one time—

Senator DOUGLAS. In what lengths?

Mr. SMYTH. Four-foot lengths.

At one time there was a premium on hardwood because of the difficulties over softwood of cutting and handling and piling. That differential has been eliminated so that it makes no difference today.

If it is pulpwood and going for pulp usage, it is \$6 a cord insofar as the Brown Co. operations, and their jobbers.

Senator DOUGLAS. And it used to be \$7.50?

Mr. SMYTH. In pulpwood, it used to be \$7.50 in 1952.

Senator DOUGLAS. So in 2 years it has been reduced to 20 percent, \$1.50 a cord?

Mr. SMYTH. At that time there was a premium on hardwood, which has been eliminated. The peeled wood—as I wanted to make a differential there because you will find that—I know in the International Paper Co., who are jobbing in the Phillipsbrook area, in New

Hampshire, the job today is an exclusive peeled wood operation and they started their rate of pay at \$9.50 a cord. They couldn't get bonded people in sufficient amount enough so they had to raise it from \$9.50 to \$10. Still they are not getting the men they want.

Senator DOUGLAS. You say that on comparable quality of work the rate has been reduced from \$7.50 to \$6 now; and Mr. Dorsky, you are saying that, to the best of your belief, the rate has been reduced similarly in the State of Maine?

Mr. DORSKY. Possibly a little more.

Senator DOUGLAS. Possibly a little more.

Senator DOUGLAS. And whatever the adequacy of the earnings in comparison with the cost of living there has been a reduction of 20 percent or more in the last 3 years?

Mr. DORSKY. That is true.

Senator DOUGLAS. And this is caused by the importation of bonded labor?

Mr. DORSKY. I would say that that is true.

Mr. SMYTH. I have one more thing that I would like to point out in the trucking situation. There possibly wouldn't be any Canadian bonded trucks in the summer months. I mentioned yesterday the snow roads. That is when the big influx of Canadian trucks come in.

Senator DOUGLAS. Do you have any further statement, Mr. Dorsky?

Mr. DORSKY. No, I have not, Senator.

Senator DOUGLAS. Did the hearings which you held in Augusta in the wintertime have any effect on Mr. Fortier?

Mr. DORSKY. Apparently not. The only way I could judge it has some effect would be in the number of requests for importations. We have found they are less this time than they have been in past years.

Senator DOUGLAS. What is that statement?

Mr. DORSKY. The only effect these hearings apparently had was that the requests for importations have decreased this year over the previous years.

Senator DOUGLAS. How large are the crews in which these bonded men work? If they are less than 13 they are exempt under the minimum wage law.

Mr. DORSKY. Apparently they are a good deal more than 13, because the Wage-Hour Division has gone in for investigations time and time again.

Senator DOUGLAS. Do you have any further statement that you want to make?

Mr. DORSKY. No, I have not.

Senator DOUGLAS. Thank you very much.

(L. C. Fortier and James J. George, Sr., subsequently asked for and were given permission to submit for the record the following statements:)

Senator PAUL H. DOUGLAS,
Senate Office Building:

AUGUSTA, MAINE, July 27, 1955.

I have read with concern the testimony of Benjamin Dorsky, president, A. F. of L., Maine, in hearing on Canadian importation. Many of Mr. Dorsky's statements are not correct. I am preparing sworn statement setting forth the true facts which will be submitted as soon as possible.

L. C. FORTIER,
Chairman, Maine Employment Security Commission.

EMPLOYMENT SECURITY COMMISSION,
Augusta, Maine, August 1, 1955.

Senator PAUL H. DOUGLAS,
Chairman, Subcommittee on Labor,
Senate Office Building, Washington, D. C.

DEAR SENATOR DOUGLAS: As a followup of my telegram of July 27, 1955, with reference to the testimony of Benjamin Dorsky, president, Maine State Federation of Labor, I am submitting the following information.

Either Mr. Dorsky is not familiar with the provisions of the employment security law pertaining to the functions of the commission, or he has deliberately made misstatements. The only time the chairman can act alone is when one of the other commissioners is not available and then only in the case of a disputed claim for unemployment benefits. (See law, sec. 4, III.)

During the period mentioned by Mr. Dorsky, when the employer representative was ill, the employee member and myself held 34 meetings, 5 from June 18, 1953, to July 22, 1953, 3 from November 18, 1953, to December 24, 1953, and 26 from January 20, 1954, to November 24, 1954. There was no complaint as to the Canadian importation program on the agenda of any meeting during those periods.

After the death of Mr. Fortin (July 24, 1952), the employee representative, the employer representative, and myself carried on the business of the commission until the appointment of Mr. Cote on December 3, 1952.

Since I have been chairman of the employment security commission, January 5, 1943, Mr. Dorsky has been in my office three times to my knowledge, twice concerning legislation, and once when he appeared with Mr. Watson, the representative mentioned in his testimony. He never came to this office when Mr. Shaw appeared with several of his constituents, as referred to on page 131 of the testimony.

Prior to his visit with Mr. Watson, Mr. Dorsky spoke to me 1 night on the street here in Augusta (March 6, 1951) about 2 employees in the Skowhegan office who, he contended, were preparing necessary papers for employers for importation of Canadian labor in the woods industry. The following day (March 7, 1951) I went to Skowhegan and questioned the manager, and he admitted he and the interviewer had formed a partnership to handle the necessary papers. He was told emphatically it must stop, and I am taking an excerpt from a memo from the manager, after I had asked the attorney general to investigate the case:

"I desire to make it clear beyond the shadow of a doubt that as soon as Chairman Fortier was informed of the participation of Mr. Fecteau and myself in this outside activity, he made a personal visit on March 7, 1951, to the Skowhegan office and he went over the matter with me completely. He stated that we should discontinue this activity because it might reflect unfavorably on the agency. All further activity with this program was immediately discontinued as directed by Chairman Fortier.

"Chairman Fortier again discussed this matter with me in his office at Augusta on December 20, 1951, at which time I told him we had carried out his instructions and had refrained from participation in any manner in this program. This was confirmed in my letter to Chairman Fortier dated December 24, 1951."

The business was transferred to the Tilton Insurance Agency of Skowhegan and not to the manager's wife, however, I believe that the manager's wife did or does work for the insurance agency. I am enclosing a photostat of a letter dated December 24, 1951, from Munroe P. Rinfret, manager of the Skowhegan office, for your information.

On page 130, Mr. Dorsky stated that it took several years to clean up this matter—that, of course, is a misstatement, as the record reveals immediate steps were taken. Furthermore, on the visit of Mr. Dorsky and Mr. Watson, I was assured by Mr. Watson that he would furnish plenty of affidavits from employers, as yet I have not received one—I called Mr. Watson by telephone, and he again promised to furnish same, no result as yet.

During the political campaign of 1952 Mr. Oliver, a candidate for Governor, again brought the Skowhegan incident to light (see enclosed clippings) and I had our attorney, Mr. Bradford, investigate and the enclosed report and affidavits are self-explanatory.

The attorney general apparently closed the case after investigation, as we have not been advised of any action which involved the two Skowhegan employees.

On page 110, Mr. Dorsky states "The requests for importation of Canadians either bonded or through visa, go to the employment security commission." This commission has nothing to do with visas.

On page 111, you ask Mr. Dorsky if we have an office in Fort Kent. His answer, "Yes"—our nearest office is Caribou, some 40 miles away.

As to setting wages that is not a function of this agency. Employers file orders with us setting forth their needs by category and what wages they are paying. We take all orders in a particular area and try to determine what the prevailing wage is. I am enclosing a copy of the last determination by job classification which should prove interesting.

On page 198, Senator Douglas—"There was no charge as I remember it, of collusion by Mr. Cote with the employers. There was some implication that Mr. Fortier generally approved the requests made, but I did not hear an implication that Mr. Cote was involved." Wherever the implication was made, it is not a fact, as I do not approve the requests—that is done by local office managers after all avenues are explored for workers (domestic) to fill orders. I never see them.

I certainly feel that the commission has received undue criticism based on nonfactual information.

I want to assure you and the members of the committee that this commission never has or never will, as long as I am a member, make any agreements with either labor or industry that are contrary to the statute.

I most certainly will appreciate your making this letter and attachments a part of the record.

Respectfully submitted.

L. C. FORTIER, *Chairman.*

AUGUST 1, 1955.

Personally appeared the above named L. C. Fortier before me and made oath that the above is a true and accurate statement.

[SEAL]

MILTON L. BRADFORD,
Notary Public.

My commission expires August 13, 1960.

REPORT OF INVESTIGATION RE THE IMPORTATION OF CANADIAN WOODS WORKERS
INTO SOMERSET COUNTY

During this investigation (September 10 and 11, 1952), the following operators and/or subcontractors were contacted:

1. Elie Giguere, Ste. Rose, Quebec.
2. Odilon Paquet, St. Come, Quebec and Jackman.
3. Willie Giroux, Middlesex Township (Rockwood).
4. Wilfred Morin, Solon.
5. Austin Kennedy, The Forks.
6. A. E. Webb, The Forks.
7. Ambrose Wintle, Clinton.
8. Mrs. Bruce Rodden, Skowhegan.

We were not able to contact Chouinard, Inc., address given as St. Jean Port Juli, Quebec.

None of the operators above mentioned had ever heard of him. It was reported via information on hand before leaving Augusta that Elie Giguere was in business with, or working for, Chouinard, Inc. Mr. Giguere never heard of Chouinard, Inc. He has had Canadian woods workers in his various crews by name of Chouinard, and stated he was more or less acquainted in St. Jean Port Juli, but knew of no operator by the name of Chouinard.

In each contact, we simply identified ourselves, and then told the operator "The records show that you now, or have in the past, employed the Tilton Insurance Agency at Skowhegan to complete application for bonded Canadian woods workers. How did you happen to go to Mrs. Tilton? How did you find out she was doing this work?" In no case, was the Skowhegan office mentioned until we received a reply to our first question.

During our conversation, we did ask if any employee of the Skowhegan office ever attempted to influence a contact with the Tilton Insurance Co. The answer in every instance was a quick "No."

All these people had nothing but praise for the Skowhegan office, the only names mentioned being Mr. Rinfret and Mr. Fecteau. We were informed, in each case, how the operation happened to go to the Tilton Insurance Agency, and such information is contained in the attached statements. In no case, did any of these individuals hesitate to sign the statement. To my mind, these men were very sincere, and told a very straightforward story.

If the occasion ever arose, I am positive these men would be glad to testify under oath, and that such testimony would bear out all facts contained in their statements.

While conducting a similar investigation in the same locality some few weeks ago, it will be recalled that an employee of the United States customs service agreed to have several woods operators in his office who would supply us with firsthand information which would substantiate allegations which had been made concerning the woods workers' importation program.

Upon arriving at Jackman, not even one operator was present. It was then stated if we could stay over until the next morning several operators would be present. During our conversation, the name of Willie Giroux was mentioned as an operator who would tell us plenty regarding influence and irregularities. The next morning the results were the same as the day before—no operators present.

The statement taken from Mr. Giroux on September 10 is quite different from what one might expect to obtain from him in view of the contact with the customs official, several weeks ago.

I mention this only because it tends to show that the customs official's information seems quite unfounded.

EMPLOYMENT SECURITY COMMISSION,
Skowhegan, Maine, December 24, 1951.

Mr. L. C. FORTIER,
*Chairman, Maine Employment Security Commission,
331 Water Street, Augusta, Maine.*

DEAR MR. FORTIER: As requested in our interview of December 20, 1951, I am glad to confirm the points which we discussed.

In respect to assistance provided to employers with bond quotas, none of the personnel of the Skowhegan office has acted in any capacity other than that officially connected with their duties since you discussed this matter with me.

Considerable care has been exercised in providing information as to sources where applications for bonds and associated services are available. Inasmuch as practically all bondholders utilize the services of others for this work, it has been the policy of advising them of all sources known to the local office. In the future, I have advised personnel not to discuss this question as I can see how it may lead to complications.

Two employers have recently advised me that a certain official of the Immigration and Naturalization Service at Jackman has said that he was making it a point to cause difficulty for this office. The reason for this is, I believe, to cover his own questionable relationships. In fact, an interviewer in this office was recently approached on a nonwork day, Saturday, at his home and offered the sum of \$200 to complete a bond application. Questioning revealed that he was directed to the interviewer by an official of the Immigration Service.

I expect that the above-referred-to official will continue to cook up schemes which may tend to put this issue in an unfavorable light. If and when any further information should come to your attention, I shall be pleased to give you any information which I can provide. You can rest assured that agency personnel are acting only within the limits of their official functions.

Yours very truly,

MUNROE P. RINFRET.

PROBING MESC AFFAIRS IN NORTH SOMERSET OFFICE

RESULT OF CHARGES BY OLIVER

AUGUSTA, MAINE, September 15.—A charge of alleged wrongdoing in a northern Somerset County Maine Employment Security Commission office is under investigation by the attorney general's department.

This disclosure was made today by Deputy Attorney General James G. Frost. It follows public statements by Democratic gubernatorial candidate James M. Oliver, of Cape Elizabeth, who first made the disclosure at a Fairfield partisan political rally August 30.

Oliver's first mention of alleged "malfeasance of office" involving Somerset County MESC employees "who have used the office (MESC) for personal gain." Deputy Attorney General Frost said today Oliver was requested by letter

September 11 to bring his information to the State House and "set forth that he (Oliver) knows about the matter."

He said the defeated gubernatorial candidate replied by mail today but declined to reveal particulars of Oliver's letter.

"For the time being, there is no need to call Oliver in," Frost said, "* * * he tells us the gist of the complaint, but not the source of his information."

Although Frost declined to reveal the exact nature of Oliver's original charge, its scope was made public by the then candidate at a Brunswick preelection Democratic rally, Friday, September 5:

"The situation which I referred to is already in the files of the MESC. Affidavits or statements are in possession of that agency of our State government.

"Those employees have been investigated by one of the staff * * *.

"Those men have complained about as accepting fees for doing paperwork for employers of Canadian labor brought into Maine under bonds required by the immigration laws of the Nation."

Oliver went on to claim "either a case of the employer paying for services which he did not need to pay for or have inferior workers sent to him by those Maine officials who channel such employees according to their own discretion."

The Cape Elizabeth man added it was his "understanding that the late Commissioner (Charles E.) Fortin was checking this matter before his death * * *."

The deputy attorney general today did not comment on whether the above references to Oliver's charge are set forth in today's letter to the attorney general.

Frost said Oliver's letter references to MESC employees used the word "in-discreet." Oliver also said the commission itself would be "subject to criticism" if no action has been taken on the matter, Frost added.

Also on file in the attorney general's office here is a departmental communique from MESC chairman, L. C. Fortier.

Written September 2 and addressed to Attorney General Alexander A. LaFleur, Fortier's note requested "immediate action" concerning Oliver's public charge.

Fortier's letter said—in part: "Personally, I believe this is an administrative matter which, to my thinking, has been clarified to the satisfaction of the commission as no documentary evidence has been submitted by the accusers to substantiate the allegations."

Fortier added: "The file on this particular incident is available to your office. * * *"

LeFleur's letter to Oliver asking the letter to present his information to the attorney general this Wednesday, September 17, was sent September 11.

Oliver's answer to this request stated that he could not be present this Wednesday.

OLIVER REPORTS WRONGDOING

EMPLOYMENT SECURITY PANEL HIT

(By staff correspondent)

FAIRFIELD, August 30.—Democratic gubernatorial candidate James C. Oliver declared tonight that he has been told of wrongdoing involving the Maine Employment Security Commission.

"I tell you that the Maine Employment Security Commission is not coming clean with the facts," Oliver told a partisan rally here.

Asserting that he has heard of "malfeasance of office," Oliver said he had been told "of some employees who have used the office (MESC) for private gain * * *"

"The information I have is as recent as June 1952," he said. "This overall picture is not conducive to good government * * * and I challenge the Republican leadership to bring to your attention this situation."

Queried after the rally concerning his reference to "malfeasance of office," Oliver told the Sunday Telegram:

"I have information of indications of fraud and corruption by some employees of the Maine State Employment Commission or an agency thereof."

"I understand that documented information concerning fraud has been in the files of the MESC since June of this year and that no disclosures concerning this matter have been made public."

ISSUES CHALLENGE

"I ask if this is another deliberate attempt to conceal fraud or worse from the public until after the election. I challenge the Republican leadership to bring this matter to its rightful and legal conclusion before the election of September 8, not months later as is the case of the now infamous liquor probe. This is in the now familiar pattern of Republican whitewash of anything that appears to be a malfeasance of office."

Oliver said he would be willing to turn his information over to the attorney general.

"I would consider it my responsibility to do so if asked by the attorney general," he said.

Oliver, at the rally, accused Republican party leaders of applying "buckets of whitewash" to cover up "corruption in Maine government."

He told the group that the people don't know the facts concerning the liquor and dunning races probes because of this whitewashing.

EMPLOYMENT PANEL WANTS CORRUPTION CHARGES PROBED

AUGUSTA, August 31.—The chairman of the Maine Employment Security Commission said tonight he will ask the attorney general to investigate Democratic Gubernatorial Candidate James C. Oliver's charges of wrongdoing by commission employees.

Llewellyn C. Fortier said Alexander LaFleur "should call Oliver in immediately to find out what he is talking about."

Oliver told a Democratic rally at Fairfield Saturday night that he has heard "of some employees who have used the office for private gain * * *"

Fortier said Oliver might have been referring to a complaint made against two employees over a year ago. An attorney investigated the charges and cleared the pair completely, Fortier said. He said the individuals who made the charges repeatedly were asked for documentary evidence but failed to provide any.

"All complaints, even those made by unsigned letter, are always investigated," Fortier said.

"I don't like the slanting shots of Mr. Oliver, but I suppose they must be expected in an election year," he added.

Robert J. Faulkner, a member of the commission, said he did not know what Oliver was talking about.

He said he knew of no incident of any employee being suspected of using the office for private gain.

Faulkner agreed with Fortier that Oliver's charges should be investigated by the attorney general's office. He added that it was Oliver's duty to make known his information to the attorney general.

WAGE RATES FOUND BY MAINE EMPLOYMENT SECURITY COMMISSION, 1955

Choppers and cutters—Saw logs, soft wood

DROP AND LIMB¹

| Rate, per thousand: | Total |
|--------------------------|-------|
| \$5 | 1 |
| \$5 to \$6 | 1 |
| \$6 | 2 |
| \$6.50 | 1 |
| \$7 to \$8 | 1 |
| \$7.50 | 1 |
| \$6 to \$8 (prevailing). | |

¹ Last period or prior comparable period: Bangor, \$8; Skowhegan, \$6 to \$8; Wilton, \$9 to \$11.

IMPORTATION OF CANADIAN BONDED LABOR

CUT AND YARD OR CUT AND SKID¹

Terminology in cutting saw logs does not appear uniform in its use throughout the State. "Cut and yard" in the Aroostook area means the same as "cut and skid" in Somerset and Penobscot Counties. Knowledge of the work done indicates a concurrence that the pattern follows that established in New Hampshire, where only the term "cut and skid" is used with no reference to the term "cut and yard."

| | Cut and yard | Cut and skid | Total | | Cut and yard | Cut and skid | Total |
|---------------------|--------------|--------------|-------|---------------------------|--------------|--------------|-------|
| Rate, per thousand: | | | | Rate per thousand—Con. | | | |
| \$6..... | 2 | 1 | 3 | \$10..... | | 1 | 7 |
| \$8..... | 3 | 4 | 7 | \$10 to \$11.50..... | 6 | 1 | 7 |
| \$8.10..... | 1 | | 1 | \$10.80..... | | 1 | 1 |
| \$8 to \$8.50..... | | 1 | 1 | \$12..... | 2 | 1 | 3 |
| \$8 to \$9..... | | 3 | 3 | \$12.50..... | | 1 | 1 |
| \$8 to \$10..... | 1 | | 1 | \$13..... | | 1 | 1 |
| \$8.50..... | 2 | 1 | 3 | \$15..... | 3 | 1 | 4 |
| \$9..... | 3 | 3 | 6 | \$8 to \$10 (prevailing). | | | 3 |

¹ Last period or prior comparable period: Bangor, \$8 to \$9; Calais, \$6; Caribou, \$8.50 to \$9; Skowhegan, \$8 to \$9; Wilton, \$9 to \$12.

*Choppers and cutters—Saw logs, hardwood*DROP AND LIMB¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per thousand: | | | | | | |
| \$6..... | | | | | | 2 |
| \$7 to \$8..... | 1 | | | 2 | | 2 |
| \$8..... | | 1 | | 1 | | 1 |
| \$10..... | | | 1 | | | 1 |
| \$6 to \$8 (prevailing). | | | | | | 1 |

¹ Last period or prior comparable period: Bangor, \$9; Skowhegan, \$7.40 to \$8; Wilton, \$9 to \$14.

CUT AND YARD OR CUT AND SKID¹

Terminology in cutting saw logs does not appear uniform in its use throughout the State. "Cut and yard" in the Aroostook area means the same as "cut and skid" in Somerset and Penobscot Counties. Knowledge of the work done indicates a concurrence that the pattern follows that established in New Hampshire, where only the term "cut and skid" is used with no reference to the term "cut and yard."

| | Cut and yard | Cut and skid | Total | | Cut and yard | Cut and skid | Total |
|---------------------|--------------|--------------|-------|----------------------------|--------------|--------------|-------|
| Rate, per thousand: | | | | Rate, per thousand—Con. | | | |
| \$7.40..... | 1 | | 1 | \$10.80..... | | 1 | 1 |
| \$8..... | 1 | | 1 | \$11..... | 2 | | 2 |
| \$8 to \$10..... | | 1 | 1 | \$11 to \$12..... | | 1 | 1 |
| \$9..... | 2 | 1 | 3 | \$12..... | 4 | 4 | 8 |
| \$9 to \$12..... | | 1 | 1 | \$12 to \$14..... | | 1 | 1 |
| \$9 to \$14..... | | 2 | 2 | \$14..... | 1 | 1 | 2 |
| \$10..... | 1 | 1 | 2 | \$10 to \$12 (prevailing). | | | |
| \$10 to \$15..... | 2 | | 2 | | | | |

¹ Last period or prior comparable period: Bangor, \$12; Calais, \$8; Caribou, \$10; Skowhegan, \$9 to \$12.

Choppers and cutters—Hardwood—Selective

DROP AND LIMB

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per thousand: | | | | | | |
| \$8----- | | | | 1 | | 1 |
| \$8 to \$9----- | 1 | | | 1 | | 2 |
| \$8 to \$9 (prevailing). | | | | | | |

CUT AND YARD OR CUT AND SKID

Terminology in cutting saw logs does not appear uniform in its use throughout the State. "Cut and yard" in the Aroostook area means the same as "cut and skid" in Somerset and Penobscot Counties. Knowledge of the work done indicates a concurrence that the pattern follows that established in New Hampshire, where only the term "cut and skid" is used with no reference to the term "cut and yard."

| | Cut and yard | Cut and skid | Total |
|----------------------------|--------------|--------------|-------|
| Rate, per thousand: | | | |
| \$11 to \$16----- | | 2 | 2 |
| \$12----- | 2 | 1 | 3 |
| \$12 to \$16----- | 2 | | 2 |
| \$14----- | 1 | | 1 |
| \$15 to \$17----- | 1 | | 1 |
| \$12 to \$16 (prevailing). | | | |

Choppers and cutters—Bolts—Birch

STUMP PILED ¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$5----- | | | | 1 | | 1 |
| \$5 to \$6----- | 1 | | | 1 | | 2 |
| \$5.50----- | | | | 4 | 1 | 5 |
| \$5.50 to \$6----- | 1 | | | 1 | | 2 |
| \$6----- | | | 1 | 1 | | 2 |
| \$8----- | | 1 | | | | 1 |
| \$5.50 to \$6 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Skowhegan, \$5.50.

YARDED ²

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | 1 | | 1 |
| \$5.50----- | | | | 1 | | 2 |
| \$5.50 to \$7----- | 1 | | | 4 | 1 | 5 |
| \$6----- | | | | | | 1 |
| \$6 to \$6.50----- | 1 | | | | | 1 |
| \$6 to \$7----- | | | | | 1 | 1 |
| \$6.50----- | | | | 2 | | 2 |
| \$7----- | 1 | | 2 | | | 3 |
| \$8----- | 1 | | | | | 1 |
| \$8 to \$10----- | | | | 1 | | 1 |
| \$6 to \$6.50 (prevailing). | | | | | | |

² Last period or prior comparable period: Skowhegan, \$6.50; Wilton, \$6.

IMPORTATION OF CANADIAN BONDED LABOR

Choppers and cutters—Bolts—Other

STUMP PILED

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$5 to \$6 | | | | | | |
| \$5.50 to \$6 | 1 | | | | 1 | 2 |
| \$5.50 | 1 | | | | | 1 |
| \$6 | | | | | 2 | 2 |
| \$5.50 to \$6 (prevailing) | | | 1 | | | 1 |

YARDED

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$5.50 to \$7 | 1 | | | | | 1 |
| \$6 to \$6.50 | 1 | | | | | 1 |
| \$6 to \$7 | | | | | 1 | 1 |
| \$7 | | | | 2 | | 1 |
| \$6 to \$6.50 (prevailing) | | | | | | 2 |

*Choppers and cutters—Rough pulp*STUMP PILED ¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$4.75 | | | | | | |
| \$5 | | | | 1 | | 1 |
| \$5 to \$5.50 | 1 | | 4 | 3 | | 8 |
| \$5 to \$6 | 3 | | | 6 | 2 | 11 |
| \$5.50 | | | | 1 | | 1 |
| \$5.50 to \$6 | 2 | | 2 | 4 | 1 | 9 |
| \$6 | | | | | 1 | 1 |
| \$5 to \$5.50 (prevailing) | | 1 | | | | 1 |

¹ Last period or prior comparable period: Bangor, \$5 to \$5.50; Caribou, \$5 to \$5.50; Skowhegan, \$5 to \$5.50; Wilton, \$5.50 to \$6.

YARDED ²

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$2.50 to \$3 | | | | | | |
| \$5 | | | | 1 | | 1 |
| \$5 to \$5.50 | 2 | | 2 | | | 2 |
| \$5.25 ³ | | 1 | | | | 2 |
| \$5.50 | 2 | | | 1 | | 2 |
| \$5.50 to \$6 | | | 4 | 1 | | 7 |
| \$6 | 1 | | | 1 | 3 | 5 |
| \$6 to \$7 | 1 | 3 | 1 | 3 | 2 | 10 |
| \$6.50 | | | | | 1 | 1 |
| \$7 | 1 | | 1 | 1 | | 2 |
| \$7.50 | | | | 1 | | 2 |
| \$5.50 to \$6 (prevailing) | | | | 1 | | 1 |

² Last period or prior comparable period: Bangor, \$5.50; Calais, \$5.50 to \$6; Caribou, \$5.50 to \$6; Skowhegan, \$5.50 to \$6; Wilton, \$6 to \$6.50.

³ Rate of \$5.25 per cord in the Calais area deemed to be adequate in meeting the prevailing rate spread as in this one instance inasmuch as company-owned power saws are furnished and maintained, including the supply of gasoline, oil, and repair at a company value of 75 cents per cord.

Choppers and cutters—Peeled pulp

STUMP PILED ¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$7----- | 1 | | | 3 | 1 | 5 |
| \$7.50----- | 1 | | | | | 1 |
| \$7.50 to \$8----- | | | | 1 | | 1 |
| \$7.50 to \$8.50----- | 1 | | | 2 | 1 | 4 |
| \$8----- | 1 | | 2 | | | 3 |
| \$8 to \$8.50----- | 2 | | | 3 | | 5 |
| \$8.50----- | 1 | | 1 | | | 2 |
| \$9----- | | 1 | | | | 1 |
| \$7.50 to \$8.50 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$8 to \$8.50; Calais, \$8.50; Caribou, \$8; Skowhegan, \$7.50 to \$8.50; Wilton, \$7 to \$9.50.

YARDED ²

| | | | | | | |
|--------------------------|---|---|---|---|---|---|
| Rate, per cord: | | | | | | |
| \$7.50----- | | | | 1 | | 1 |
| \$8----- | 2 | | | 2 | | 4 |
| \$8 to \$8.50----- | 3 | | | 1 | | 4 |
| \$8 to \$9----- | 1 | | | 2 | | 3 |
| \$8.50 to \$9----- | | | | 1 | | 1 |
| \$8.50----- | | 1 | 6 | | 1 | 8 |
| \$9----- | 2 | | 1 | 1 | | 4 |
| \$8 to \$9 (prevailing). | | | | | | |

² Last period or prior comparable period: Calais, \$7.50 to \$8.50; Caribou, \$8.50; Skowhegan, \$8 to \$9; Wilton, \$8.50 to \$10.50.

Choppers and cutters—Peeled pulp—Chemically

YARDED ¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|---------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$5.25 ² ----- | | 1 | | | | 1 |
| \$8----- | | | | | 1 | 1 |
| \$6 to \$8 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$8.

² Rate of \$5.25 per cord in the Calais area deemed to be adequate in meeting the prevailing rate spread as in this 1 instance inasmuch as company-owned power saws are furnished and maintained, including the supply of gasoline, oil, and repair at a company value of 75 cents per cord.

*Choppers and cutters—Peeled poplar*STUMP PILED ¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$5.50..... | | | | 1 | | 1 |
| \$6.50..... | | | | 1 | | 1 |
| \$6.50 to \$7..... | | | | 1 | | 1 |
| \$6.50 to \$7.50..... | 1 | | | 1 | | 2 |
| \$7..... | | | 2 | | | 2 |
| \$7 to \$7.50..... | 2 | | 1 | 2 | | 5 |
| \$7.50..... | | | 1 | 1 | | 2 |
| \$6.50 to \$7.50 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$7 to \$7.50; Calais, \$7; Skowhegan, \$7.

YARDED ²

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per cord: | | | | | | |
| \$6.50..... | | | | 1 | | 1 |
| \$7..... | 1 | 1 | | 1 | | 3 |
| \$7 to \$7.50..... | 3 | | 1 | 1 | | 5 |
| \$7 to \$8..... | 1 | | | 1 | | 2 |
| \$8..... | | | 2 | 1 | | 3 |
| \$8.50..... | | | 1 | | | 1 |
| \$9..... | | | | 1 | | 1 |
| \$9 to \$9.50..... | | | | 1 | | 1 |
| \$7 to \$8 (prevailing). | | | | | | |

² Last period or prior comparable period: Bangor, \$7 to \$8.

Blacksmith ¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.85..... | | | 2 | | | 2 |
| \$0.90..... | 1 | | | | | 1 |
| \$0.90 to \$1..... | | | | 2 | 1 | 3 |
| \$0.95..... | | 1 | | | | 1 |
| \$1..... | 4 | | 2 | | | 6 |
| \$1 to \$1.20..... | 1 | | | 1 | | 2 |
| \$1.10..... | | | | | 1 | 1 |
| \$1.15..... | | 1 | | | | 1 |
| \$1.25..... | | | | | 1 | 1 |
| \$1.28..... | | | | | 1 | 1 |
| \$1.49..... | | | | | 1 | 1 |
| \$1 to \$1.25 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$1; Calais, \$0.90 to \$1.25; Caribou, \$0.85; Skowhegan, \$0.90 to \$1; Wilton, \$0.90 to \$1.10.

Boatman ¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.85 to \$1..... | | 1 | | | | 1 |
| \$0.95 to \$1..... | 1 | | | 1 | | 2 |
| \$0.90 to \$1.10..... | 1 | | 1 | 1 | | 3 |
| \$1.10..... | | | 1 | | | 1 |
| \$0.90 to \$1.10 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.95 to \$1; Calais, \$0.85 to \$1; Caribou, \$0.85; Skowhegan, \$0.95 to \$1.

*Bullcook*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75 | 5 | 2 | 3 | 8 | | 18 |
| \$0.75 to \$0.85 | | | | 1 | | 1 |
| \$0.80 | | | 1 | | | 1 |
| \$0.81 | | | | | 1 | 1 |
| \$0.85 | | | | | 1 | 1 |
| \$0.90 | 1 | | | | | 1 |
| \$0.92 | | | | | 1 | 1 |
| \$0.75 to \$0.85 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.75; Calais, \$0.75; Caribou, \$0.75; Skowhegan, \$0.75; Wilton, \$0.85.

*Bulldozer operator*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$1. | | | 3 | 1 | | 4 |
| \$1.10 | | 1 | | | | 1 |
| \$1.10 to \$1.35 | | | | 1 | | 1 |
| \$1.20 | | | | 1 | | 1 |
| \$1.20 to \$1.30 | 1 | | | 1 | | 2 |
| \$1.25 | 3 | 1 | 2 | 10 | 4 | 20 |
| \$1.25 to \$1.50 | 1 | | | | | 1 |
| \$1.41 | | | | 1 | | 1 |
| \$1.50 | | | 1 | | | 1 |
| \$1.50 to \$1.75 | 1 | | 1 | 1 | | 3 |
| \$1.72 | | | | | 1 | 1 |
| \$1.75 | 1 | | | | | 1 |
| \$1.25 to \$1.50 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Bangor, \$1.25; Calais, \$1.25; Caribou, \$1; Skowhegan, \$1.20 to \$1.30; Wilton, \$1.25.

*Cant dog man*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75 | | 2 | | | | 2 |
| \$0.80 | | | | 1 | | 1 |
| \$0.85 | | 1 | 1 | | 1 | 3 |
| \$0.85 to \$0.90 | | | | 1 | | 1 |
| \$0.90 | 1 | | | | | 1 |
| \$0.90 to \$1. | 1 | | | 1 | | 2 |
| \$1. | 1 | | 1 | 2 | | 4 |
| \$1.10 | | | | 1 | | 1 |
| \$1.21 | | | | 1 | | 1 |
| \$1.25 | 1 | | | | | 1 |
| \$0.90 to \$1 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Calais, \$0.75; Caribou, \$0.75 to \$0.80; Skowhegan, \$0.85 to \$0.95.

*Clerk*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75 | | 1 | | | | 1 |
| \$0.85 | | | | 1 | | 1 |
| \$0.85 to \$0.90 | | | | 1 | | 1 |
| \$0.85 to \$1. | | | | | 1 | 1 |
| \$0.85 to \$1.15 | 1 | | | 1 | | 2 |
| \$0.90 | 3 | | 1 | 1 | | 5 |
| \$0.95 | 1 | | | | | 1 |
| \$1. | 1 | | 1 | 1 | | 3 |
| \$1.25 | | | | 1 | | 1 |
| \$0.90 to \$1 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.90; Calais, \$1; Caribou, \$0.85; Skowhegan, \$0.85 to \$0.90; Wilton, \$0.85 to \$1.

IMPORTATION OF CANADIAN BONDED LABOR

*Clerk scaler*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.80----- | 1 | | | | | 1 |
| \$0.85----- | | | 1 | | | 1 |
| \$0.90----- | | | 1 | | | 1 |
| \$0.915----- | | 1 | | | | 1 |
| \$0.95----- | | | | 3 | | 3 |
| \$0.95 to \$1----- | | | | | 2 | 2 |
| \$1----- | 1 | | 1 | 1 | 1 | 4 |
| \$0.90 to \$1 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Calais, \$1; Caribou, \$0.95; Skowhegan, \$0.95 to \$1; Wilton, \$1.

*Cook*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75----- | | 1 | | | | 1 |
| \$0.80----- | 5 | 1 | 6 | 9 | | 21 |
| \$0.80 to \$0.85----- | | | | | 1 | 1 |
| \$0.85----- | 3 | 1 | | 6 | 3 | 13 |
| \$0.86----- | 1 | | | | | 1 |
| \$0.85 to \$0.90----- | | | | 1 | | 1 |
| \$0.90----- | | | 2 | | | 2 |
| \$1----- | 1 | | | | 1 | 2 |
| \$1.18----- | | | | | 1 | 1 |
| \$0.80 to \$0.90 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.80; Calais, \$0.80 to \$0.85; Caribou, \$0.80; Skowhegan \$0.80 to \$0.85; Wilton, \$0.85 to \$0.90.

*Cook, assistant*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75----- | 2 | | | 3 | | 5 |
| \$0.77----- | 2 | | 1 | 1 | | 4 |
| \$0.78----- | | | | 1 | | 1 |
| \$0.75 to \$0.80----- | 1 | | | 1 | | 2 |
| \$0.80----- | | | 1 | 1 | | 2 |
| \$0.85----- | | | 1 | | | 1 |
| \$0.90----- | 1 | | 1 | | | 1 |
| \$0.75 to \$0.80 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.75; Caribou, \$0.77; Skowhegan, \$0.75 to \$0.80.

*Cooke*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75----- | 9 | 3 | 5 | 12 | | 29 |
| \$0.75 to \$0.80----- | | | | 1 | 1 | 2 |
| \$0.80----- | | | 2 | 1 | | 3 |
| \$0.81----- | | | | | 1 | 1 |
| \$0.85----- | | | | | 1 | 1 |
| \$0.97----- | | | 1 | | 1 | 2 |
| \$0.75 to \$0.80 (prevailing). | | | | | 1 | 1 |

¹ Last period or prior comparable period: Bangor, \$0.75; Calais, \$0.75; Caribou, \$0.75; Skowhegan, \$0.75; Wilton, \$0.80.

*Crane or shovel operator*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.95 to \$1.25 | | | | 1 | | 1 |
| \$1 | | | 1 | | | 1 |
| \$1.10 | | 1 | | | | 1 |
| \$1.20 | | | | 2 | | 2 |
| \$1.25 | 1 | | 1 | 2 | 3 | 7 |
| \$1.25 to \$1.35 | 1 | | | 1 | | 2 |
| \$1.50 | 1 | | | 1 | | 2 |
| \$1.72 | | | | | 1 | 1 |
| \$1.25 to \$1.50 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Calais, \$1 to \$1.50; Caribou, \$1 to \$1.25; Skowhegan, \$1 to \$1.25.

*Crane or shovel operator helper*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.85 | 1 | | | | | 1 |
| \$0.90 | | | | 2 | 1 | 3 |
| \$1 | 1 | | 2 | 2 | 1 | 6 |
| \$1 to \$1.10 | 1 | | | 1 | | 2 |
| \$1.10 | | | | 1 | | 1 |
| \$1 to \$1.10 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Calais, \$1.25; Caribou, \$1; Skowhegan, \$0.90; Wilton, \$1.25.

*Feeder*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75 | 4 | 2 | 2 | 5 | | 13 |
| \$0.80 | | | 2 | 1 | | 3 |
| \$0.81 | | | | | 1 | 1 |
| \$0.85 | | 1 | | 1 | 1 | 3 |
| \$0.90 | 2 | | 1 | | | 3 |
| \$0.92 | | | | | 1 | 1 |
| \$0.75 to \$0.85 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.75; Calais, \$0.75 to \$0.85; Caribou, \$0.80; Skowhegan, \$0.75; Wilton, \$0.85.

*Filer*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.90 | 1 | | | | | 1 |
| \$1 to \$1.10 | 1 | | | 1 | | 2 |
| \$1.35 | | | 1 | | | 1 |
| \$1.64 | | | | | 1 | 1 |
| \$1 to \$1.10 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Caribou, \$1; Skowhegan, \$0.85 to \$0.95.

IMPORTATION OF CANADIAN BONDED LABOR

*Foreman*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$1..... | 1 | | 4 | 6 | 1 | 12 |
| \$1 to \$1.25..... | 1 | | | 1 | | 2 |
| \$1.15..... | | 1 | | 1 | | 2 |
| \$1.25..... | 2 | | 1 | 3 | 2 | 8 |
| \$1.41..... | | | | 1 | | 1 |
| \$1.78..... | | 1 | | | | 1 |
| \$1.25 to \$1.50 (prevailing). | | | | | | |
| Rate, per week: | | | | | | |
| \$75..... | 1 | | | | | 1 |
| \$75 to \$90..... | | | | 1 | | 1 |
| \$80 to \$100..... | 1 | | | 1 | | 2 |
| \$85..... | | | | 1 | | 1 |
| \$85 to \$110..... | | 1 | | | | 1 |
| \$75 to \$90 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$1.25 per hour or \$75 to \$90 per week; Calais, \$85 to \$110 per week; Caribou, \$1 per hour; Skowhegan, \$1 to \$1.25 per hour; Wilton, \$1 to \$1.25 per hour.

*Foreman, assistant*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.90..... | 2 | | | 2 | 1 | 5 |
| \$0.95..... | 1 | | | | | 1 |
| \$1..... | 1 | 1 | | 1 | 1 | 4 |
| \$1.10..... | 1 | | | | | 1 |
| \$1 to \$1.25..... | 1 | | | 1 | | 2 |
| \$1.32..... | | | | | 1 | 1 |
| \$1 to \$1.25 (prevailing). | | | | | | |
| Rate, per week: | | | | | | |
| \$70..... | 1 | | | 1 | | 1 |
| \$75..... | | | 1 | 1 | | 3 |
| \$70 to \$75 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.90 to \$1.10 per hour; Calais, \$1 per hour; Caribou, \$0.85 to \$0.95 per hour; Skowhegan, \$0.90 to \$1 per hour; Wilton, \$1 per hour.

Ground loader

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75..... | | 1 | | | | 1 |
| \$0.75 to \$0.80..... | | | | 1 | | 1 |
| \$0.85..... | 1 | | | | | 1 |
| \$0.90..... | 1 | | | 1 | | 2 |
| \$0.90 to \$1.25..... | 1 | | 1 | 1 | | 3 |
| \$1..... | 2 | | 1 | 1 | | 4 |
| \$0.90 to \$1 (prevailing). | | | | | | |

*Motorboat operator*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$1 to \$1.10..... | 1 | | | 1 | | 2 |
| \$1 to \$1.25..... | 1 | | 1 | 1 | | 3 |
| \$1 to \$1.25 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Calais, \$0.95 to \$1.15.

*River driver*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate per hour: | | | | | | |
| \$0.80 ----- | | 1 | | 1 | | 2 |
| \$0.90 ----- | 1 | | | 1 | | 2 |
| \$0.90 to \$1 ----- | | | | 1 | | 1 |
| \$0.90 to \$1.10 ----- | 1 | | 1 | 1 | | 3 |
| \$1 ----- | | | | 1 | | 1 |
| \$0.90 to \$1.10 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Calais, \$0.80 to \$0.85.

*Scaler*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.90 ----- | | 1 | | | | 1 |
| \$0.90 to \$1 ----- | | | | 1 | | 1 |
| \$0.95 ----- | | | | 1 | | 1 |
| \$0.95 to \$1 ----- | 1 | | | 1 | | 2 |
| \$1 ----- | 1 | | 2 | | | 3 |
| \$1.15 ----- | | | 1 | 1 | | 2 |
| \$1.25 ----- | | | 1 | | | 1 |
| \$1.26 ----- | | | | 1 | | 1 |
| \$1 to \$1.15 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.95; Calais, \$1; Caribou, \$0.90; Skowhegan, \$0.95 to \$1.

*Swamper*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75 ----- | | 2 | | 2 | | 4 |
| \$0.80 ----- | 4 | | 3 | 4 | | 11 |
| \$0.80 to \$1 ----- | | | | 1 | 1 | 2 |
| \$0.85 ----- | 2 | | | 2 | 2 | 6 |
| \$0.86 ----- | | 1 | | | | 1 |
| \$0.85 to \$1 ----- | 1 | | | 2 | 1 | 4 |
| \$0.90 ----- | 1 | | 1 | 1 | 1 | 4 |
| \$0.90 to \$1.10 ----- | 1 | | 1 | 1 | | 3 |
| \$1 ----- | | 1 | 1 | 2 | | 4 |
| \$1.20 ----- | | | | | 1 | 1 |
| \$0.85 to \$1 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.80; Calais, \$0.75 to \$0.85; Caribou, \$0.80; Skowhegan, \$0.80 to \$1; Wilton, \$0.85 to \$0.90.

*Teamster, 1 horse*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75 ----- | | 1 | | 2 | | 3 |
| \$0.75 to \$0.80 ----- | | | | 1 | 1 | 2 |
| \$0.75 to \$0.85 ----- | | | | 1 | | 1 |
| \$0.75 to \$1 ----- | | | | 1 | | 1 |
| \$0.85 ----- | | | 2 | 2 | 1 | 5 |
| \$0.85 to \$1 ----- | 1 | | | 3 | 1 | 5 |
| \$0.90 ----- | 1 | | | 4 | | 5 |
| \$0.90 to \$1.10 ----- | 1 | | 1 | 1 | | 3 |
| \$1 ----- | 2 | | | 2 | 1 | 5 |
| \$1.10 ----- | | | 1 | | | 1 |
| \$0.85 to \$1 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.85 to \$1; Calais, \$0.85; Caribou, \$0.85; Skowhegan, \$0.75 to \$0.85; Wilton, \$1.

*Teamster, 2 horse*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.85..... | 2 | | 1 | 3 | | 6 |
| \$0.85 to \$1..... | 1 | | | 4 | 2 | 7 |
| \$0.90..... | 1 | | | 2 | 1 | 4 |
| \$0.90 to \$1..... | | | 1 | 1 | | 2 |
| \$0.90 to \$1.10..... | 1 | | 1 | 1 | | 3 |
| \$0.95..... | | | 1 | | | 1 |
| \$1..... | | 2 | | 2 | 3 | 7 |
| \$1.10..... | | | 1 | | | 1 |
| \$1.25..... | 1 | | | 1 | | 2 |
| \$0.90 to \$1.10 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.85 to \$1; Calais, \$0.90; Caribou, \$0.85; Skowhegan, \$0.85 to \$1; Wilton, \$0.90 to \$1.

*Toter*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|--------------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75..... | | 1 | | | | 1 |
| \$0.85..... | | | | 1 | | 1 |
| \$0.85 to \$1..... | 1 | | | 1 | | 2 |
| \$0.90 to \$1..... | | | 1 | 1 | | 2 |
| \$0.90 to \$1.10..... | 1 | | | | | 1 |
| \$1.10..... | | | 1 | | | 1 |
| \$1.25..... | 1 | | | | | 1 |
| \$0.85 to \$1.10 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.85 to \$1; Calais, \$0.75; Skowhegan, \$0.85 to \$1.

*Tractor driver*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.85..... | | | 1 | | | 1 |
| \$0.90 to \$1.25..... | | | | 1 | | 1 |
| \$1..... | 2 | | 2 | 6 | | 10 |
| \$1 to \$1.25..... | 1 | | | 4 | | 5 |
| \$1 to \$1.50..... | 1 | | 1 | 1 | | 3 |
| \$1.10..... | | 1 | | 1 | | 2 |
| \$1.25..... | 2 | | 1 | 3 | | 6 |
| \$1.31..... | | | | 1 | | 1 |
| \$1.50..... | 1 | | | | | 1 |
| \$1 to \$1.25 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$1; Calais, \$1.25; Caribou, \$1 to \$1.25; Skowhegan, \$1 to \$1.25; Wilton, \$1 to \$1.25.

*Tractor driver helper*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|-----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.80..... | 1 | | | | | 1 |
| \$0.80 to \$1..... | | | | 1 | | 1 |
| \$0.85..... | | | 1 | 1 | 1 | 3 |
| \$0.85 to \$1..... | | | | 1 | | 1 |
| \$0.90..... | | | | 3 | | 3 |
| \$0.90 to \$1..... | 1 | | | 3 | | 4 |
| \$0.90 to \$1.25..... | 1 | | 1 | 1 | | 3 |
| \$1..... | 2 | | 3 | 1 | | 6 |
| \$1.10..... | | | | 1 | | 1 |
| \$1.21..... | | | | 1 | | 1 |
| \$0.90 to \$1 (prevailing). | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.80 to \$1; Calais, \$1; Caribou, \$0.80 to \$0.85; Skowhegan, \$0.85 to \$1; Wilton, \$0.85 to \$1.

*Truck driver*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.80 | | 1 | 1 | | | 2 |
| \$0.85 | | | 1 | | | 1 |
| \$0.90 | | 1 | 1 | 3 | | 5 |
| \$0.90 to \$1 | | | | 1 | 1 | 2 |
| \$0.90 to \$1.10 | | | | 1 | | 1 |
| \$1 | 5 | 1 | 4 | 4 | 2 | 16 |
| \$1 to \$1.10 | 1 | | | 1 | | 2 |
| \$1 to \$1.20 | 1 | | | | | 1 |
| \$1 to \$1.50 | 1 | | 1 | 1 | | 3 |
| \$1.15 | | | 1 | 1 | | 2 |
| \$1.25 | | | 1 | 1 | | 2 |
| \$1.32 | | | | 1 | | 1 |
| \$1.49 | | | | | 1 | 1 |
| \$1.50 | 1 | | | | | 1 |
| \$1 to \$1.25 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Bangor, \$1; Calais, \$1; Caribou, \$0.85 to \$0.90; Skowhegan, \$0.90 to \$1; Wilton, \$0.90 to \$1.

*Truck driver helper*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.75 | | 1 | | 1 | 1 | 3 |
| \$0.75 to \$0.85 | | | | 1 | 1 | 2 |
| \$0.80 | | | 2 | | | 2 |
| \$0.85 | | 1 | | 3 | 1 | 5 |
| \$0.90 | 3 | 1 | 1 | | 1 | 6 |
| \$0.90 to \$1 | 1 | | | 2 | 1 | 4 |
| \$0.90 to \$1.25 | 1 | | 1 | 1 | | 3 |
| \$1 | 2 | | | 1 | | 4 |
| \$1.10 | | | | | 1 | 1 |
| \$0.90 to \$1 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Bangor, \$0.90; Calais, \$1; Caribou, \$0.80; Skowhegan, \$0.75 to \$0.85; Wilton, \$0.80 to \$0.90.

*Wood worker*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$0.85 | | | | | 1 | 1 |
| \$0.90 | | | | 1 | | 1 |
| \$1 | | | | 5 | | 5 |
| \$1 to \$1.15 | 1 | | | 1 | | 2 |
| \$1 to \$1.25 | 1 | | 1 | 2 | | 4 |
| \$1.10 | | 1 | | | | 1 |
| \$1 to \$1.25 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Bangor, \$1; Calais, \$1 to \$1.15; Caribou, \$0.80 to \$1; Skowhegan, \$1.

*Woods machine mechanic*¹

| | Bangor | Calais | Caribou | Skowhegan | Wilton | Total |
|----------------------------|--------|--------|---------|-----------|--------|-------|
| Rate, per hour: | | | | | | |
| \$1 | | | 1 | 1 | | 2 |
| \$1 to \$1.25 | 1 | | | 3 | | 4 |
| \$1.25 | | | 1 | | | 1 |
| \$1.36 | | | | | 1 | 1 |
| \$1.50 | | 1 | | | | 1 |
| \$1 to \$1.25 (prevailing) | | | | | | |

¹ Last period or prior comparable period: Caribou, \$1; Skowhegan, \$1 to \$1.25.

EMPLOYMENT SECURITY COMMISSION,
Augusta, Maine, August 10, 1955.

Senator PAUL H. DOUGLAS,
*Chairman, Subcommittee of the Committee on Labor and Public Welfare,
 Senate Office Building, Washington, D. C.*

DEAR SENATOR DOUGLAS: In reference to your committee hearing held on Friday, July 22, 1955, regarding alleged irregularities in the importation of Canadian bonded woodsmen, various charges were directed against the Maine Employment Security Commission and its employees. In fairness to the commission and its employees I respectfully submit the following statement that it be made a part of your records.

I have been an employee of this agency since February 7, 1938, as a field examiner and representative, and have covered much of the area to which reference was made at the hearing. Since November 24, 1954, I have been serving as the employer representative on this commission, and, with the exception of the incident to which reference is made on page 130 of the transcript alleging that the manager of a local office had been engaged in the preparation of forms to enable employers to obtain permits to import Canadian labor, I have never known of any other employee of this agency to engage in any outside activity related to, or tending to reflect upon the agency.

Since my appointment as commissioner, regularly scheduled meetings have been held, and what few complaints have been received have been duly scrutinized by the three commissioners, and, by unanimous consent, have been acted upon in accordance with procedures set up by the United States Department of Labor and by the United States Immigration and Naturalization Service. There has been absolutely no evidence of collusion between any group and the commission or any of its employees.

Contrary to allegations made by Mr. Dorsky at the hearing (recorded on p. 127 of the transcript) concerning protests alleged to have been made by a member of the commission, I have never known this commissioner to make such protests either orally or in writing, other than when he stressed his thinking to the effect that certain hourly rates of pay in certain job classifications in woods operations were not high enough. The method used by the agency in arriving at what is termed to be prevailing rates has been submitted to you by the chairman.

It is indeed unfortunate that allegations contained in the transcript of the hearings were directed against this State's most stable industry, the paper and pulpwood industry—as well as other industries—as there should be no question of doubt as to the integrity of the paper and pulpwood industry and its honest desire at all times to give preference to any American worker who desires work.

The allegations made against the commission and its employees are also unfortunate in that they reflect unfavorably without evidence or justification upon a group which is constantly striving to serve the public impartially and to the best of its ability.

I stand ready at all times to assist in investigations of any and all complaints which this agency receives in the most impartial manner, and affirm the stand—on record as having been taken by me—to the effect that Americans will come first, last, and always.

Sincerely,

JAMES J. GEORGE, Sr.,
Commissioner, Maine Employment Security Commission.

The next witness is Mr. Gordon M. Tiffany, counsel for the north-eastern group of the committee on imports for the American Pulpwood Industry, of Concord, N. H.

STATEMENT OF GORDON M. TIFFANY, COUNSEL FOR THE NORTH-EASTERN GROUP OF THE COMMITTEE ON IMPORTS FOR THE AMERICAN PULPWOOD INDUSTRY; ACCOMPANIED BY JOSEPH KOVNER, ASSOCIATE COUNSEL, CONCORD, N. H.

Senator DOUGLAS. If you have representatives of the employers with you, they are privileged to come in and sit with you, too.

Mr. TIFFANY. I would appreciate the courtesy of having my partner, Mr. Joseph Kovner, assist me.

Senator DOUGLAS. Certainly.

Mr. TIFFANY. Mr. Chairman, I have prepared this statement which I assume has been distributed and is available.

Senator DOUGLAS. I have a copy of it; yes, sir.

Mr. TIFFANY. My name is Gordon M. Tiffany. This has been a hasty preparation, Mr. Chairman.

Senator DOUGLAS. I understand.

Mr. TIFFANY. I am counsel for the northeastern group of the committee on imports of the American Pulpwood Industry. The committee is composed of companies engaged in the pulpwood industry and represents the interests of hundreds of producers and dealers concerned with the importation of labor and wood.

Incidentally, I appreciate the opportunity of being here, and the offer which you just made to have representatives of the industry with me. I figured last night that the men who are with me have spent in the woods and living in the woods and dealing with woods problem a total of 278 years, and I would expect that we may get the correct answers in the event that I am not, as an attorney, able to furnish them.

Senator DOUGLAS. We are very glad to have them come and sit at the table with you. I extended an invitation to 278 years of accumulated experience in the lumber industry, and I will ask the staff to provide chairs.

Mr. TIFFANY. I think that we will make out, Mr. Chairman.

Eastern Canada is a substantial source of supply of both wood and labor. The importation of labor particularly affects the pulpwood in the States of Maine, New Hampshire, Vermont, and New York and also affects the dependent pulp and paper mills in these States and in the States of Massachusetts, Rhode Island, and Connecticut.

This matter is an important one to the industry, but we have had only a few days' notice of this hearing and we have assembled all the information available on such short notice. In this situation, we could not present as complete and detailed a statement of the facts as we would desire, but we shall submit to you the basic considerations that govern the use of Canadian labor in the northeastern pulpwood industry.

Senate Resolution 98 raises a question concerning the use of Canadian labor in the United States, and the northeastern group of the committee on imports for the American Pulpwood Industry, therefore, has an interest in the resolution. The introduction of the resolution has been accompanied by charges that an excessive number of Canadians have been brought into the country and are being used to take jobs away from United States workers and to break down the wages and working conditions of workers in the United States.

The pulpwood industry categorically denies these charges. They are baseless; without any foundation in fact. The facts are that the use of Canadian labor in the pulpwood industry in the Northeastern United States has been made only to the extent necessary to fill shortages of domestic labor. It is a historic use arising out of conditions inherent in the industry, and the employment of Canadians has been beneficial to the industry in the United States, to its employees, and to the economy of the United States. The charges against the program of importing Canadian labor are demonstrably false.

The pulp and paper industry in the Northeastern United States includes the forest lands, logging camps, transportation facilities, and processing mills and research laboratories. This northeastern industry in New England and New York has an estimated gross annual production valued in 1952 at \$1,183 million. This is an increase of \$450 million over the valuation of \$733 million according to the 1947 census of manufactures and the current gross annual production has increased substantially since 1952. The products of the industry are varied and include newsprint, all types of wrapping and writing papers, plastics, rayon, cellophane and photographic film, all types of paper tissues and printing papers, building and insulating papers and board, and explosives. The pulp and paper industry thus produces articles essential to the civilian economy and to our standard of living and also essential to our military defense.

In 1952, the year for which most data is available, the estimated total number of employees in the pulp and paper industry in the Northeastern United States was over 69,000.

Senator DOUGLAS. That is in the mills?

Mr. TIFFANY. That includes the wage earners in the industry whether it be in the mill or outside.

Senator DOUGLAS. Does it include the camps?

Mr. TIFFANY. Yes; it includes the camps. But I would like to point out that it does not include the contractors working outside.

Senator DOUGLAS. It does not include jobbers?

Mr. TIFFANY. That is right. That will be given later.

Senator DOUGLAS. Who cut the timber and sell the timber to the mills on a cordage basis?

Mr. TIFFANY. That is purchased wood; yes, sir.

These employees with their dependents totaled in 1952, 272,600 persons. The total 1952 payroll for these employees was \$263,868,200.

Senator DOUGLAS. If my figures are correct, that averages around \$4,000 a year.

Mr. TIFFANY. That is approximately right; yes, sir.

The estimated total number of woods workers that produced pulpwood for these northeastern mills this same year was approximately 24,000.

Senator DOUGLAS. Does that include the workers employed by jobbers?

Mr. TIFFANY. Yes; it does.

Senator DOUGLAS. That is an inclusive figure in the woods?

Mr. TIFFANY. That is an inclusive figure of men working in the woods, Mr. Chairman.

The production of the pulpwood industry begins in the woods and the first direct production operation after the establishment of roads and camps is the cutting of trees. The cutters constitute over 50 percent of the woods labor force. For 1952, the peak number of imported Canadian workers was 6,667 or less than one-third of the woods labor force.

Senator DOUGLAS. This was for 1952, in Maine, New Hampshire, Vermont, and New York?

Mr. TIFFANY. Yes, sir.

Senator DOUGLAS. Do you have any figures for 1953?

Mr. TIFFANY. I regret to say that I think we do not have that. I may have it here, Mr. Chairman.

In 1953, Mr. Chairman, in reference to the peak employment, it would be 5,375. I have made a little mental addition there, but I think that is accurate.

Senator DOUGLAS. Do you have the breakdown by States?

Mr. TIFFANY. Not in this last figure which I have given you, but I would say that New England constituted 5,243 of that figure.

Senator DOUGLAS. Where is that?

Mr. TIFFANY. That is in New England. Now, contrasted with New York, there was an additional 132.

Senator DOUGLAS. Would you have a breakdown of the New England figures as to Maine and New Hampshire?

Mr. TIFFANY. I do not have that.

Senator DOUGLAS. The witnesses testified yesterday that the number in Maine was probably five times that of New Hampshire, and does that roughly check with your figures?

Mr. TIFFANY. I would say at least that. The employment in Maine far predominates in numbers that which is employed in New Hampshire; yes, Mr. Chairman.

Senator DOUGLAS. The figures which were given were roughly 1,000 in New Hampshire, and 6,000 or so in Maine.

Mr. TIFFANY. That is possible.

Eighty percent of these Canadian workers are cutters. No Canadian labor is imported to work in the mills or other parts of the industry.

It is apparent from the foregoing figures that each woods cutter provides raw material for about three workers in the manufacturing part of the pulp and paper industry. In sum, the 6,667 Canadian workers are providing work for 20,000 United States millworkers, and their dependents would add about 60,000 persons in New England and New York, who are dependent upon the use of Canadian woods labor.

In short, to digress for a moment, we believe, Mr. Chairman, that the ratio, 1 to 3, is an important ratio to bear in mind. For every man that is cutting wood out there in the woods, three men have a job to process their wood in the mill.

If the use of Canadians was eliminated, the 1952 total production of \$1,183 million might well be reduced by one-third, a loss to our economy of \$394 million. The number of mill employees from sweeper to chemist, all of whom are United States citizens or residents, would be reduced from 69,000 to 46,000, and the loss in payroll would be about \$88 million.

If Canadian labor was eliminated from the woods of the north-eastern part of the pulp and paper industry, the economic injury to New England might be irreparable. The elimination of Canadian labor would not only curtail existing production, employment, and wages by one-third, but it would also prevent any expansion of the industry.

Senator DOUGLAS. I do not want to interfere with your presentation, and you can postpone discussion of this point to later if you wish, but there has been a contention of the previous witnesses that you could still get native labor to work in the woods who would take the place of a large proportion at least of the Canadian labor which is imported, and that therefore the choice is not between closing down the woods operations and getting Canadians, but shifting the proportions between native and Canadian labor.

Now, as I say, you can postpone discussing that to later if you want to, but I wanted to raise it at this point for the record.

Mr. TIFFANY. I think it will be answered in the course of our discussion later, Senator.

One example is enough to show the effect of this barrier to expansion. The largest producer of newsprint in the United States is located in Maine and is one of the members of the committee which I represent and its production is directly dependent upon Canadian labor.

Senator DOUGLAS. Is that the Great Northern Co.?

Mr. TIFFANY. Yes. This company is now expanding its newsprint production by cutting wood in forest camps which are 20 miles from Canadian villages but 100 miles from the nearest Maine village.

I think that I might be able to make that more clear. I have some maps and here again you can see the rush of our preparation, and it is dependent upon the roadmaps. I would like to incorporate these in the record, Mr. Chairman. There is one of the Gulf Oil Co. maps there.

Senator DOUGLAS. Where is this camp that you are speaking of? Is it in northwestern Maine?

Mr. TIFFANY. This is Mr. Maines of the Great Northern Co., and he can pinpoint the identity of these.

STATEMENT OF JOHN T. MAINES, ASSISTANT MANAGER OF WOODLANDS, GREAT NORTHERN PAPER CO., BANGOR, MAINE

Mr. MAINES. The Air Force base is here on the headwaters of the Allagash River. It is approximately 100 miles from the town of Greenville here, and the camp is located here near Baker Lake.

Senator DOUGLAS. I once canoed in that region.

Mr. MAINES. You see the relation there between the farming communities in Quebec, on the Canadian side, and they are closest to these woods operations, as compared with their distance from the populated areas in the State of Maine.

Senator DOUGLAS. In those days the wood crews used to go in from Greenville?

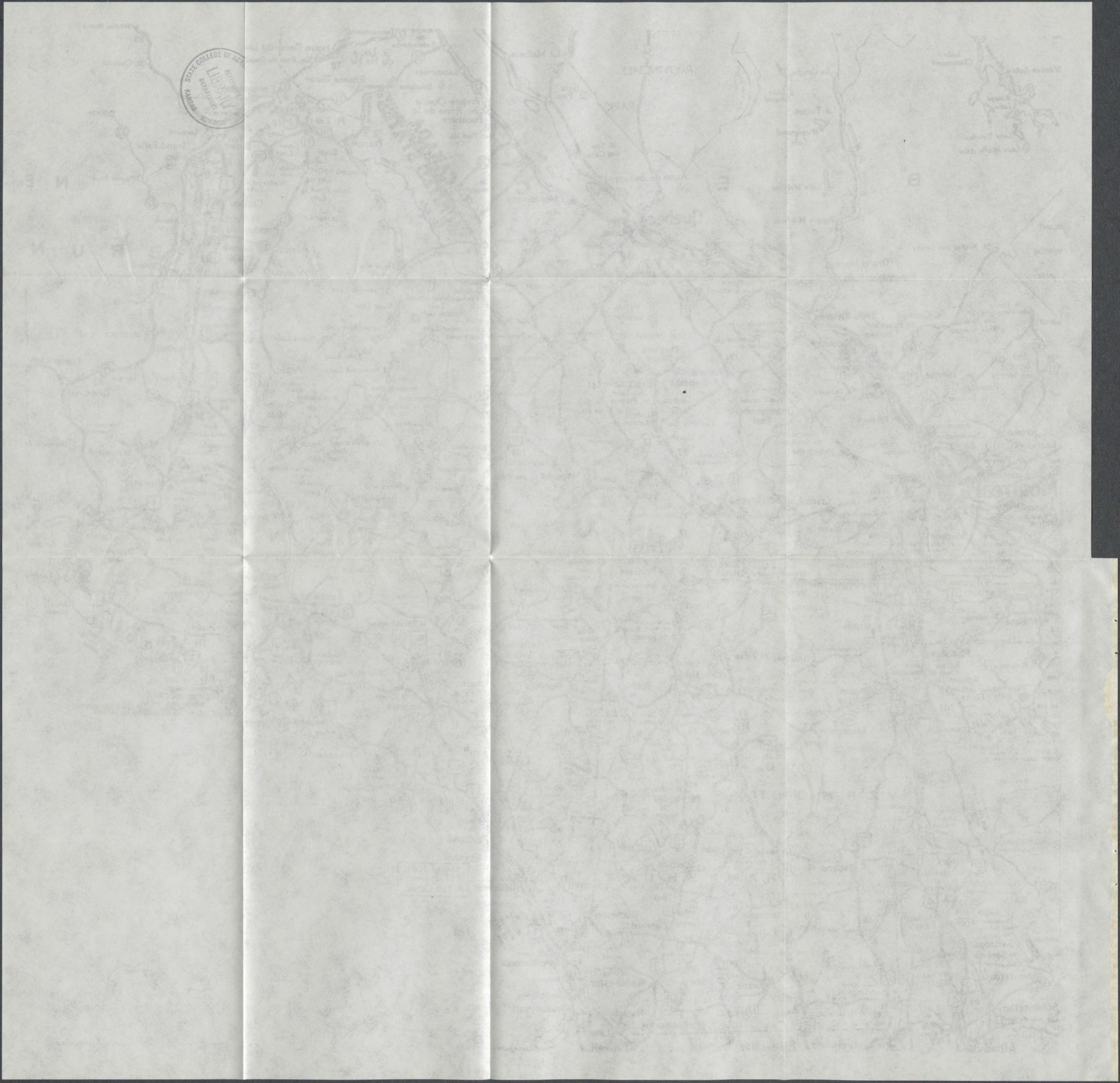
Mr. MAINES. That is right.

Mr. TIFFANY. Also, on this Shell Oil map, I think the structure of the highway and road system in southern Quebec and Canada, as compared to the area immediately across to the west of the border in Maine I think shows a striking lack of travel facilities and transportation facilities in the area in which this company is doing business in the woods.

In short, the paper and pulp industry could neither maintain its production nor expand without the use of the Canadian woods workers. It is therefore apparent that any irresponsible attack upon the use of Canadian labor for the pulp and paper industry in northeastern United States does great injury to New England and to our whole economy.

Senator DOUGLAS. It so happens that I grew up in this region, and in the old days the labor used to be recruited in Bangor, and came up to Greenville, and moved in near Moosehead Lake, and I would like to know why that cannot be done now. Why do you have to get





your importation of labor from across the border? There were French Canadians then in the woods but they were French Canadians who had come down into Maine and were near Bangor and that area.

Mr. TIFFANY. I think a proper answer to that is this, Mr. Chairman, that they not only recruit in Bangor today, but they recruit in many other areas wherever you, of course, have a local office of the employment security division. You have an employment office there through which you may recruit. It is my understanding, and I will introduce a witness later, possibly, that will testify to that fact, that they recruit not only in a center like Bangor but they will continue right straight on down. For example, in New Hampshire you have employment offices not only in Berlin but continuing down through and you have employment offices in the cities of New Hampshire down through Concord, which you mentioned yesterday, and then as to these orders or petitions—

Senator DOUGLAS. Is it your contention that the labor in the southern portion of New Hampshire will not go into the woods?

Mr. TIFFANY. That is right. That was brought out yesterday, I think, in the testimony where it was indicated that the workers in the southern part of New Hampshire just did not go to the northern part to seek woodwork; yes, sir.

Senator DOUGLAS. Is the same thing true in Maine?

Mr. TIFFANY. In Maine, generally, the same is true. Generally, the same is true. Indicating on the maps which you have before you, it would be possible to draw about this vast inaccessible area a line which would separate the thickly populated seacoast centers from the forested area.

Senator DOUGLAS. I know it is very difficult to get from the upper part of the St. John's Valley, the French-Canadian settlements beginning in St. Francis and extending down through St. David and Grande Ligne. It is very difficult to get them in northwestern Maine. But what about bringing them south on Route 11 into the Ashland region?

Mr. TIFFANY. Yes, that is right, and some are.

Senator DOUGLAS. You could not get in this other part?

Mr. TIFFANY. It is my understanding that some do come down. For example, if they were going to participate in woods operations around Nahmokanta or Pemddumcook Lake, it would be entirely possible to bring in labor much of the way on the roads from Millinocket and when that type of situation arises it is my understanding that they do.

Senator DOUGLAS. I mean if there is a labor surplus on the American side of the St. John, those men could be brought down for northeastern and north central laboring in Maine, and I agree it would be almost impossible to get them for the northwestern lumber camps.

Mr. TIFFANY. To the extent any American surplus exists and may be persuaded to go into the woods, the effort is made to do so, Mr. Chairman.

The use of Canadian labor is an absolute necessity to the production of the northeastern pulp and paper industry. It is, in the first instance, a natural relationship that can be understood by looking at the map of the industry. The forest lands of the northeastern pulp and paper industry in the United States lie along the Canadian border and cover an area of approximately 700,000 square miles ranging

through New York, Vermont, New Hampshire, and Maine. This region is wilderness country, sparsely settled with large areas that are entirely uninhabited.

As you know, the population of the United States settled along the coast and went up the rivers, thinning out as it approached the wilderness. The early spurt of population up the rivers has been declining as industrial centers grow in the towns downriver and on the coast. The population in the northern counties of the New England States has been fairly stationary with a total in 1940 of 502,755, increasing to only 514,897 in 1950.

I would like to interpolate at that point because of the chairman's familiarity with the region, that much of the woods area in New Hampshire lies in Coos County, and it is a small county in population, the northernmost county, and the census figures, for example, in that area show that the population has decreased in the last 10 years by as much as between 4,000 and 5,000; from 40,000 to 35,000.

Senator DOUGLAS. I am surprised these northern counties grew at all, very frankly.

Mr. TIFFANY. I think it is obvious that such a decline in 10 years would likewise affect the supply of labor.

In Canada, by contrast, the mountains, lakes, bogs, and wilderness give way to the level plains of the broad southern valley of the St. Lawrence and St. Johns River in southern Quebec. The population of this area in 1941 was 578,846, increasing by nearly one-half to 707,002 in 1951.

Senator DOUGLAS. I think that I must correct that. It is an increase of 129,000, and that is an increase of about 20 percent and not a 50-percent increase.

Mr. TIFFANY. I would accept the correction, Mr. Chairman, and I apologize. The figures I believe are accurate.

Geographically, therefore, the use of Canadian labor in the United States woods arises out of a natural geographical relationship. Substantial numbers of Canadians have worked in the woods of the United States since the turn of the century. That, I think, is in distinct contrast to the testimony offered up to this time. There are men from the industry present in this room who know of their own personal knowledge that Canadian labor has been imported since at least 1911 to the extent of one-third of the woods labor force in New England and New York.

Senator DOUGLAS. Would the men who are present in the room come forward and give their names for the record?

Mr. TIFFANY. Will Mr. Moody Blaisdell please stand. Would you be good enough to verify my statement there?

STATEMENT OF MOODY BLAISDELL, MANAGER OF THE INTERNATIONAL LOGGING CORP.

Mr. BLAISDELL. I was. There is one correction there and that was the first year I went into the woods in the north-central part of New Hampshire, specifically around Jackson and Conway. At that time we had men from Canada working in the woods. We had approximately one-third in the area where I was working, and they came from small towns which is where we are still getting a great supply

of our men working now in northwestern part of Somerset County in Maine.

Senator DOUGLAS. There were no immigration restrictions on their coming in then. The immigration restrictions were put in later.

Mr. TIFFANY. They have almost always been subject in the memory of man to some type of immigration law, but the restrictions that we are considering today are of more recent vintage. The importance is that one-third has been the proportion since Mr. Blaisdell remembers.

In addition to that, I believe that Senator Smith was good enough to introduce a statement that we prepared for Governor Muskie and there is an exhibit attached to that statement which shows the experience of one company in the use of Canadian labor over a period extending back to 1900, which I think substantially bears out Mr. Blaisdell's statement of his own knowledge.

So that any charge that the importation of Canadian labor dates from World War II or World War I is simply untrue.

The geographic relationship is allied to the fact that the economy of southern Quebec is a natural source of labor for the forest industry. The popular areas of southern Quebec are agricultural. The populous areas of northeastern United States are industrial. Forestry and agriculture go hand in hand. In both there is the same type of physical labor, the use of horses, and working with natural resources. By contrast, factory work and town life separate a man from isolated work in the fields and forests.

Senator DOUGLAS. Mr. Tiffany, around Berlin there are large numbers who have been in the woods and in the upper St. Johns Valley there are small farmers very similar to the small farmers on the Canadian side of the border. There are farmers scattered through the foothills of northern New Hampshire. I should think that you could combine industry and farming and lumbering with them the same way you would with the Quebec labor.

Mr. TIFFANY. I think that point is a good point, and undoubtedly it is true that there are a great many men who are experienced in woods work, who today are living on their farms. Those men do produce wood, and that wood is sold in turn to companies that process the wood. That is entirely true. The fact remains that with such supplement of purchased wood, it still is necessary to import for additional production one-third of the woods labor force.

In addition to this geographic and economic relationship, political conditions have favored the use of Canadian labor in our northeastern forestry industry. The United States and Canada have been helping each other for a great many years. The use of Canadian labor in the United States is not a one-way street. Canada is the largest importer of United States products and United States labor. Canadian imports from the United States include everything from automobiles to oranges.

At other points along the border, workers from the United States go to Canada every day using border-crossing permits. United States businessmen, big and small, are active in Canada. Canadians who have come into the United States and worked here have thought of this country as a friendly place. Their friends and relatives are citizens of the United States.

This brings us to the fourth bond between the citizens of Canada and the United States who work in the northeastern forests of the United States. There is a deep underlying racial and religious identity between the two groups. The Canadian who comes to work in northern New York, Vermont, New Hampshire, and Maine is the brother, cousin, or uncle of the population of these States of French descent. Any attack upon the Canadian laborer is an attack upon these groups of United States citizens. It is deplorable that in the pursuit of a selfish aim, certain groups have made insulting personal attacks upon our Canadian neighbors. I have here at hand a transcript of this type of scandalous remark. I mention a transcript to which reference has recently been made in these hearings. That is a transcript of a meeting which has been described this morning by Mr. Dorsky held with Governor Muskie. I would respectfully call attention of the committee to certain remarks in that transcript which is the equivalent of calling people of the French race by the most derogatory term in their language.

Senator DOUGLAS. I have that transcript. What is the page reference?

Mr. TIFFANY. This would be the employee group meeting with Mr. Muskie on February 28, 1955, I believe.

Senator DOUGLAS. What page is that on?

Mr. TIFFANY. It is at page 23, I think it is in lines 2, 4, 6, and 7. It is sufficient to simply call the attention of the committee to that language. It is on page 23, line 7, sir. It was hardly intended to appeal to the volatility of the French nature.

Senator DOUGLAS. I do not like the statement there.

Mr. TIFFANY. It does not need to be emphasized; it is simply a slight instance.

Whatever may be the future industrial developments in Canada, southern Quebec, and it may be added, New Brunswick, is today as it has been in the past, a source of indispensable labor for the forest industry of northeastern United States. The use of Canadian labor is not, as has sometimes been charged, a recent development nor is it the result of wartime conditions.

I was entertained by the reference to Paul Bunyan yesterday but as it was made I thought to myself that the replacement to take care of Paul Bunyan was indeed a large number. I mean to say that we have cited the growth of this industry in the last few years and with all of the technical increases and advances, the necessity for labor in the woods has likewise increased even more. The times have changed, and the industry recognizes it, and it is doing everything possible to meet it.

Canadians are not taking the jobs of United States citizens, instead they are doing the jobs which their fathers and grandfathers did before them. They are working at jobs which are not wanted by United States workers, jobs which support production employing 69,000 United States workers and an annual payroll of more than a quarter billion dollars.

The use of Canadian labor in the northeastern forest industry of the United States is a natural use. It is also a necessary use. The Canadians are necessary because there is a shortage in the United States of men who would perform the type of labor which the Cana-

dians do. The supply of domestic labor willing to work in the remote forests is steadily declining. Current developments in the United States do not favor the development of a labor force that is willing to work in the forests 50 to 100 miles from towns and villages, living away from their families and away from the comforts and pleasures of city and town life in the United States.

This decline of available domestic woods labor of all types is taking place notwithstanding the fact that the wage rates for woods labor have steadily increased since 1947 and compare favorably with weekly wages in the logging industry in other parts of the country, which, I might add, parenthetically, do not, as far as we know it, have the necessity of using the Canadian bonded labor to the extent that we do in the East.

Senator DOUGLAS. Other sections of the country do not have the Canadians of French descent available.

Mr. TIFFANY. That may be the case, sir.

The following table shows the increases in average weekly wages of logging camps and logging contractors for the United States and certain selected States, including Maine and New Hampshire, for the years 1947-54. I think the figures are self-evident and due to the limitation of time we will not go into it.

Industry 241—Logging camps and logging contractors, average wages¹

| State | 1947 | 1949 | 1951 | 1953 | 1953, 4th quarter | 1954 | | | |
|------------------------|---------|---------|---------|---------|-------------------------|----------------|---------------|---------------|----------------|
| | | | | | | 1st quarter | 2d quarter | 3d quarter | 4th quarter |
| Total United States... | \$42.32 | \$46.63 | \$55.73 | \$62.84 | \$61.31 | \$53.60 | \$65.20 | \$67.31 | \$67.47 |
| Maine..... | 38.50 | 43.69 | 51.48 | 54.62 | 55.45 | 54.37 | 49.59 | 54.22 | 53.30 |
| New Hampshire..... | 32.38 | 36.28 | 48.86 | 56.47 | 61.76 | 48.19 | 47.19 | 55.48 | 56.53 |
| South Carolina..... | 22.22 | 22.61 | 27.91 | 32.48 | 33.80 | 30.43 | 31.43 | 31.87 | 32.69 |
| Georgia..... | 24.91 | 32.10 | 28.15 | 32.82 | 33.35 | 32.00 | 34.08 | 35.70 | 36.12 |
| Florida..... | 26.04 | 33.09 | 40.57 | 46.42 | 49.32 | 44.53 | 45.79 | 47.38 | 49.64 |
| Arkansas..... | 18.81 | 20.67 | 29.76 | 29.23 | 30.87 | 27.21 | 26.67 | 30.15 | 31.40 |
| Louisiana..... | 20.08 | 22.10 | 28.13 | 31.03 | 34.03 | 29.07 | 29.76 | 30.67 | 33.27 |
| Washington..... | 58.33 | 64.06 | 72.42 | 83.85 | 83.28 | 73.16 | 85.84 | 84.23 | 92.43 |
| Oregon..... | 61.79 | 67.56 | 78.42 | 88.43 | 83.72 | 79.16 | 91.20 | 94.64 | 91.97 |

¹ This table does not reflect hourly earnings since it includes part-time workers and is based upon a variable number of hours per week, usually less than 40.

Source: U. S. Department of Labor, Bureau of Employment Security.

Senator DOUGLAS. Are those earnings?

Mr. TIFFANY. Those are the average weekly wages.

Senator DOUGLAS. Actual earnings?

Mr. TIFFANY. Actual; yes, sir.

Senator DOUGLAS. These apparently show an increase in Maine. Let us take the Maine figures there. Those are the figures for 1953 and for the fourth quarter of 1954. It was down to \$53.30. New Hampshire was \$56.47 in 1953 and about the same in 1954, whereas for the country as a whole the increase was from \$62.84 to \$67.47. So that the Maine wages decreased slightly during the year and New Hampshire wages held steady, although there was an increase of around 6 or 7 percent for the Nation as a whole.

Mr. TIFFANY. Mr. Chairman, if you would reflect on some of the statements charging that there has been a long trend decrease, we

think that this chart shows a substantial increase, although as you well know, this is an industry critically subject to seasonal fluctuations which are reflected and may be reflected in this set of figures here.

Senator DOUGLAS. The Maine figures, if you take the average over the year, would be probably somewhat less than that. The first quarter of 1954 and the second quarter is given there. The third quarter is given so if you take the year's average, it would be less than 1954, probably. In New Hampshire the average for the year of 1953 was \$56.47 for the first quarter and \$48.19 for 1954; for the third quarter of 1954, \$55.84, and for the fourth quarter \$56.53, indicating that the average for the year would be appreciably less than \$55. In 1953 the average was \$56.47, and I would say these figures indicate a fall in earnings of 1954 as compared to the 1953 figures. We do not have the 1952 figures here.

Mr. TIFFANY. The figures from 1947 as compared to that show an increase, a sensible appreciation. Comparing with the most fortunate section of the country where 1 tree is the equivalent to perhaps 10 trees in our section, take Washington and Oregon, and you make a similar comparison, you find two significant points. First of all, there is that the increase in Maine and New Hampshire over that period from 1947 through 1954 compares favorably with that increase out there is Washington and Oregon on a percentagewise basis. Secondly, there, as here in the Northeast, you find these fluctuations of a greater or lesser extent during the course of the seasons throughout a year.

Senator DOUGLAS. I will try to work out the percentages for New Hampshire.

Mr. TIFFANY. The increase in wage rates has been accompanied by a steady improvement in working conditions in the forest camps of the industry. This fact cannot be demonstrated by statistics, but it is indisputable that camp facilities, roads, and the food are better today than ever before. The forest industry has taken full advantage of modern developments in roadbuilding, camp construction, sanitary facilities, refrigeration, and the automobile. There are, of course, some instances of poor camps, but they are not typical and every effort is being made by the industry itself to eliminate these camps.

I want to stop right there and say that in the State department of health, I know in New Hampshire, there is a man who has had forestry experience by the name of George Morrell, who is a sanitary engineer, inspecting for that department. He does go into the actual camps and in fact he has been of assistance to me in helping me to find some of these camps, and he has called my attention, for example, in one instance, where we found a camp that did not have what is known as a bedboard. In that instance it was a new camp and the matter was quickly remedied. Those steps are taken and we have our own regulations in our State health department, and I am under the impression that the same prevails in Maine.

In talking last year with Dr. Campbell, in Maine, he advised me that some years ago he tried to cover personally an inspection of all of the camps in the area which we have discussed with reference to the map. In the course of a summer of steady and diligent work he was able to cover, my recollection is, one-quarter of the camps in the area.

So you can tell something of the extensiveness of any investigation which might clear up this entire matter.

Automobiles and good roads have relieved the isolation of many camps. It is possible in some camps for the men to commute daily and in some others, men can commute weekends. The automobile and good roads have brought Canadian towns and villages closer to the roads than the distant towns and villages in the United States, particularly as the forest operations come closer to the Canadian border. Thus, a forest camp 20 miles from Berlin, N. H., uses domestic labor almost exclusively, but the forest camp 50 miles north and 12 miles from the Canadian border uses Canadian labor almost exclusively.

If it would be of assistance may I call briefly at this time on Mr. Herr?

This is the map to which I referred, Mr. Chairman, and the area to which I referred. You will note that north and a little east of Berlin is a town called Millsfield. That is within 20 miles of Berlin, and is manned entirely by domestic labor. Now if we come up to Parmachenee, in the area and I am pointing to the northern end of the border between New Hampshire and Maine, but I am pointing to the State of Maine, it is seen that the area around Parmachenee in that area is but a step from the border of Canada. That makes it possible, for example, for teamsters to bring their horses right in from Canada.

Senator DOUGLAS. Is the Parmachenee Belle still used as a lure for catching trout?

Mr. TIFFANY. Very extensively, sir.

With this background, we can now turn to the terms of the resolution so far as it relates to the use of Canadian bonded labor in the northeastern pulpwood industry.

I might interrupt my statement for one moment at this time, to say that Mr. Herr of the Brown Co. is here, and since yesterday's testimony bore so extensively upon the activity of the Brown Co., he felt that I should ask him if he could speak for a few moments and he must catch a plane this afternoon. So I would like to ask him if he has some comments to make on testimony offered to this time.

**STATEMENT OF CLARENCE S. HERR, VICE PRESIDENT IN CHARGE
OF WOODS OPERATIONS, THE BROWN CO., BERLIN, N. H.**

Mr. HERR. My name is C. S. Herr, H-e-r-r, and I am vice president in charge of woods operations of the Brown Co. I have my home at Berlin, N. H.

I thought it would be appropriate for me to amplify perhaps several statements that were made yesterday and in a few instances make corrections.

I wanted to point out that reference was made yesterday to a recruiting office that we had maintained in Coaticook. We have a recruiting office there. In addition to that, however, we have a recruiting office in the city of Berlin and this office, of course, is open for the convenience of any men that are coming through there seeking employment, and, of course, we have a very close relationship with the State employment service office which is also located in the city of Berlin.

Now, I would like to make as clear as possible what we are doing in the way of attracting domestic labor. We, of course, are carrying

on advertising, newspaper and radio, and last year for the first time we used TV.

Senator DOUGLAS. Do you advertise in southern and central New Hampshire and western Maine?

Mr. HERR. Yes, sir.

Senator DOUGLAS. Have you advertised in Concord papers?

Mr. HERR. Yes; we have. That is about it, though, and it would be western Maine and down into central New Hampshire. The point that you made awhile ago, Mr. Chairman, is this: Back quite a few years ago we along with other large pulp and paper companies recruited woodsmen in Portland and Boston. We still make trips there but we are not very successful any longer because the itinerant woodsman of 15 and 25 years ago is gone. As a matter of fact, the domestic men we now have cutting wood for us are the family type of person. They live right there. But in 1952 at the time that the textile business started to decline, we, in cooperation with the Employment Services of Maine and New Hampshire, did what I considered was a very interesting thing. They developed lists for us at these various offices, and we sent a recruiter down into those areas to talk personally with these men. Many of them were Canadian by birth.

Senator DOUGLAS. In Nashua and Manchester?

Mr. HERR. And Lewiston and Laconia, and strangely enough while some of those men had indicated that they had previous woods experience their families and their homes were there and they were not prepared to go into the north woods.

We did get some of them, but they stayed only until they were able to secure employment at home, and they returned. There were others that told us, and we did use some of them, that they would be willing to cut wood in the area where they lived and some of them did go to work for people who were cutting wood and supplying it, in turn to us.

One statement was made yesterday and I have checked that since, that had to do with the Jericho Brook job, just outside of Berlin. The statement was made that the men left the job because the wages were unsatisfactory. In checking our payroll records, I find that the rate for cutting was \$6 a cord. The average hourly rate for all men was \$2.10 an hour.

Senator DOUGLAS. That is their earnings?

Mr. HERR. Yes, sir. That happens to be about a daily wage there of \$17.

Senator DOUGLAS. What about these expenses for saws and living costs and so on?

Mr. HERR. In the case of Jericho Brook, that was a camp that they commuted from down back and forth, so there was no board deduction.

Senator DOUGLAS. What about saws?

Mr. HERR. They provide their own saws; they provide their own saws and maintain them.

Senator DOUGLAS. Have you an estimate as to how much that would cost a day?

Mr. HERR. A good chain saw today costs right around \$300.

Senator DOUGLAS. How long will it last?

Mr. HERR. With good care it will last about 2 years. As was indicated yesterday, the chains have got to be replaced.

Senator DOUGLAS. How many cutting days would that be?

Mr. HERR. You mean how long would a saw last with average care?

Senator DOUGLAS. Yes.

Mr. HERR. Well, I would say 250.

Senator DOUGLAS. So that the depreciation cost would be something over \$1 a day and then repair costs would be on top of that?

Mr. HERR. Yes; it would be on top of that.

There was some discussion, also, having to do with trucks. I believe it has been brought out here again this morning that our peak hauling season comes in January, February, and March. We in the city of Berlin, the Brown Co., operate at the present time about 20 heavy-duty pulpwood hauling trucks of our own. In addition to that, however, there are about 75 domestic truckers who own and operate their own trucks and haul pulpwood for Brown Co. on a piecework basis.

Senator DOUGLAS. Have you been bringing in French Canadians to do some of this trucking business?

Mr. HERR. We do in the winter. We have to in the winter because we use approximately 350,000 cords of pulpwood annually at Berlin, and during the winter period we need somewhere around 250 or 300 trucks to haul our pulpwood. Not all of it comes to the mill, but the soft wood is hauled in to the nearest water or lakes, and in our case we are using the Canadians for the hauling in the woods.

Senator DOUGLAS. They do not haul directly into Berlin?

Mr. HERR. I beg your pardon?

Senator DOUGLAS. Do they haul directly into Berlin?

Mr. HERR. No.

Senator DOUGLAS. They haul it into the lakes?

Mr. HERR. Yes, and we are hauling what wood we haul directly to Berlin with domestic trucks. We do buy—and some people get the wrong impression here—but we do buy annually about 9,000 cords of pulpwood from the border townships of Quebec, which is hauled to our mill and it is purchased on a mill delivered basis, and that wood moves over the highways, obviously with Canadian trucks.

There was another statement made with respect to the woods strike that occurred at Berlin, last year. I want to make it eminently clear that there were no Canadians brought in as strikebreakers. We had approximately 700 men in the woods at that time, and at the date the strike occurred there were some 60 employees who left work. No effort was made whatsoever to fill in back of those men. We did, however, in the northern unaffected portions of our operations, bring in Canadians to take care of men who were ordinarily leaving.

Senator DOUGLAS. What you are saying is that you hired Canadians to replace people who left, in isolated areas 1 by 1 but not to replace strikers; is that right?

Mr. HERR. Exactly.

I am not sure whether this would be of interest to the committee or not, but we have developed within the last year a guide for woods employees. It sets forth the labor policy, the benefits to the woodsmen, and spells out pretty clearly for the benefit of our woods employees, both domestic and Canadians, the arrangement under which they are working.

Senator DOUGLAS. If you would care to submit it, we would be glad to have it.

Mr. HERR. I will be glad to do that. Being a forester by training, I can't very well accept the statement that was made yesterday that the Canadian is a poorer conservationist than is the domestic employee. All of the pulp and paper companies are of course very sincere in attempting to improve the quality of the cuttings on our lands. We have developed in our case and in quite a few other companies conservation programs in which we are attempting to appeal to the employee to the end that he will leave some of these younger trees standing for future growth and future job security.

Now, I have a letter here which I would like to make a part of the record, if you approve, sir. It is a letter addressed to the Honorable Margaret Chase Smith under date of May 26, 1955, and it is signed by the president of Brown Co., Mr. L. F. Whittemore. I will read it:

DEAR SENATOR SMITH: It has come to my attention that you have offered a resolution in the Senate, which was referred to the Committee on Labor and Public Welfare, calling for an investigation with respect to the importation of bonded labor from the Dominion of Canada. Since Brown Co. is an importer every year of a substantial number of Canadians, required to produce the annual cut of pulpwood used in the company's manufacturing operations, I am taking the liberty of calling your attention to certain facts which I think have a very pertinent bearing upon this subject.

It is entirely evident to me that certain labor unions are attempting to use the investigatory powers of Congress as an indirect means of forcing employers to recognize their organizations for collective bargaining purposes—notwithstanding their failure to follow the rulings of the National Labor Relations Board. I realize that the foregoing is a strong statement but I call your attention to the following facts in support of it.

On January 21, 1954, United Brotherhood, Local 75, International Brotherhood of Pulp, Sulphite & Paper Mill Workers (AFL) filed a petition with the National Labor Relations Board requesting certification of a unit consisting of certain employees of Brown Co. (NLRB Case No. 1-RC-3524).

Senator DOUGLAS. Is that in the camps or in the mills?

Mr. HERR. In camps.

At a hearing held on February 24, 1954, Brown Co. took the position that the unit sought by the collective bargaining representatives should consist of all seasonal employees engaged in woodcutting operations including bonded Canadians. The union, on the other hand, sought a unit consisting of only so-called domestic woodcutters and sought to exclude Canadian woodsmen.

In a decision handed down on July 14, 1954, the National Labor Relations Board unanimously dismissed the petition holding:

"However, we see nothing in the record which would warrant removing these Canadians from the sphere of compulsory bargaining through a Board certification. It is true that the permit conditions are aimed at the full utilization by the employer of available domestic labor. But once hired, the Canadians stand in substantially the same employment relationship with the employer as do the domestic employees, and the employer is apparently free to apply his labor policies to both groups. For these reasons, and in view of the admitted similarity of employment conditions and interests of the two categories of employees, we are of the opinion that the grounds asserted by the petitioner constitute an insufficient basis for excluding the Canadian woodsmen from the unit sought herein."

This decision was never appealed to the courts and stands as the law governing the rights of the parties. You will note that as a result of the Board's ruling the petitioning union was entirely free to proceed with organizational activities in the woods provided only that it include bonded Canadians in the appropriate unit. However, instead of proceeding in accordance with the plain mandate of the law what did the union do?

In November 1954, without any advance notice whatever to the Brown Co., the union called a strike on the company's woods operations, still demanding recognition of a unit which excluded bonded Canadians notwithstanding the ruling of the National Relations Board. In other words, instead of proceeding

in accordance with the law, the union attempted to gain its objective by force. The strike lasted about a week and then collapsed.

Having failed to attain its objective through proper and lawful means suggested by the National Labor Relations Board's decision or by the means of a wholly improper strike, the Union is now seeking to use the investigatory powers of Congress to so embarrass and harass this company and others as in effect to compel us and others to recognize collective bargaining units which, contrary to the rulings of the National Labor Relations Board, exclude bonded Canadians. This is a most reprehensible course of action to which I feel neither you nor any other Member of the Senate or House of Representatives will lend herself or himself when all of the facts are known.

I know that you are fully aware of the importance of Brown Co. to the economy of both the States of New Hampshire and Maine. We simply must import Canadian labor in order to get our pulpwood out. We have been importing Canadian labor for over 15 years. During all of those years we have had to conform strictly with the regulations of the Department of Labor and of the Immigration Service. We must post a bond in the penal sum of \$500 for each imported woodcutter.

Among other regulations we must give preference to domestic laborers who are willing to work in the woods even to the point of sending bonded Canadians back home where a domestic worker applies for the job. Time and again union representatives make the loose and utterly unfounded statement that there is an adequate supply of domestic labor. Yet the records will show that year after year, notwithstanding requests to the employment service for domestic labor, advertising in the newspapers and over the radio, we have never been able to procure other than a small fraction from domestic sources of cutters needed on our woods operations. Even in the year 1949 when there was a business recession and our employment was down somewhat, we were still not able to obtain the requisite woods labor from domestic sources. For corroboration of these statements recourse may be had to the records of the Department of Labor and the Immigration Service.

In sum, the agitation for investigation is dictated by ulterior motives. I feel confident that after you have further investigated this matter you will not permit yourself or the United States Senate to be used as a means to an end in this matter of Canadian bonded labor. If there are any further facts which I can make available to you, please do not hesitate to call on me.

With kindest personal regards, I am,

Sincerely yours,

L. F. WHITTEMORE.

Senator DOUGLAS. Did you get enough labor during the recession of 1954, Mr. Herr?

Mr. HERR. No, sir.

Senator DOUGLAS. There was a recession in 1954, was there not?

Mr. HERR. Not that I noticed up where I live.

Senator DOUGLAS. It was only a recession in 1949, and no recession in 1954.

Mr. HERR. Well, there was, I presume, a recession in 1949.

Senator DOUGLAS. That is what the letter says, but no recession in 1954; is that right?

Mr. HERR. Not that I have noticed in the Northeast.

Senator DOUGLAS. And you still were not able to get domestic workers in 1954?

Mr. HERR. That is right.

Senator DOUGLAS. Now, in this employment office you have Coati-cook; do you recruit Canadian labor simply for yourself, or do you also recruit Canadian labor for your jobbers?

Mr. HERR. Well, we recruit labor there for ourselves and our jobbers.

Senator DOUGLAS. Both for yourselves and your jobbers?

Mr. HERR. But I want to define what is a jobber. A jobber to us is a man who is cutting wood on our own lands, at a price per cord.

Senator DOUGLAS. You own the land?

Mr. HERR. That is right. And under the terms of the contract we have—

Senator DOUGLAS. You do not cut on private land and pay stumpage to the owner of the land?

Mr. HERR. No, we do not.

Senator DOUGLAS. You must own quite a lot of land.

Mr. HERR. 620,000 acres.

Senator DOUGLAS. That is about 1,000 square miles?

Mr. HERR. That is right. We do not cut all of our wood, of course, on our own lands. We buy a certain portion of it.

Senator DOUGLAS. That is what I meant. Do you recruit labor for the woodcutter on land which is not your own?

Mr. HERR. No, sir; we do not.

Senator DOUGLAS. How many jobbers do you have cutting wood on your own land?

Mr. HERR. We have about six jobbers.

Senator DOUGLAS. And could you tell offhand how many cords a year they furnish you?

Mr. HERR. They would furnish us probably 80,000 cords.

Senator DOUGLAS. Out of 350,000 cords?

Mr. HERR. Yes. I keep referring to the jobbers on our own land.

Senator DOUGLAS. That is your total consumption, 350,000 cords a year, and 80,000 come from jobbers on your own land?

Mr. HERR. Yes, sir.

Senator DOUGLAS. How much do you cut yourself?

Mr. HERR. We cut about 120,000.

Senator DOUGLAS. And you get 150,000 which you buy from jobbers cutting on land which you do not own?

Mr. HERR. That is right, and farmers, and small landowners.

Senator DOUGLAS. But you do not recruit labor for this third group?

Mr. HERR. No, sir; we do not.

Senator DOUGLAS. Of course, what the union representatives complained about yesterday was that the cord rates were being reduced because you were importing Canadian labor, and instead of the rate of \$7.50 a few years ago, the rate was \$6. Is that statement correct, that the rate had been \$7.50 on the average and had gone down to \$6.

Mr. HERR. I wouldn't know. It isn't in our case. We have had piecework rates varying from \$5.50 to \$6.50 and up to \$7.

Senator DOUGLAS. They are saying that on the unpeeled 4-foot length of pulpwood a few years ago you made \$7.50, and that has been reduced to \$6.

Mr. HERR. I can't agree with that, and these piecework rates vary as to the cutting quality, and the condition of the timber and, let us say the terrain. There were some instances where we did pay as high as \$7, and now as I say, our rates are \$6 and \$6.50.

Senator DOUGLAS. Have piece rates been reduced in the last 3 years or not?

Mr. HERR. Well, in certain instances I would have to say they were.

Senator DOUGLAS. Do you think that was a general practice?

Mr. HERR. I don't know. I do not think so in our case.

Senator DOUGLAS. It has been the contention of the unions that if you paid the old piece rate you could attract native labor, and the reason that you are not able to get native labor—and this is their

argument—is that the piece rate has been reduced by about 20 percent; and that this causes the north woodsmen to go elsewhere and get employment, and they mentioned the Massachusetts Turnpike.

Mr. HERR. I can't give you any direct testimony on that, but there are quite a few dam-clearing projects, one at Littleton, and I understand there is one in New York. And these woodsmen are exceptionally proficient at that type of work, and those are jobs having high priority. Again I am told, and I am just told this, that some of those good men are making as high as \$100 a day. They are clearing on a piece-work rate per acre.

Senator DOUGLAS. That is \$7.50 a cord would not get them back; is that your contention?

Mr. HERR. Not as long as that holds, but, of course, that type of work is temporary. That is of short duration, let us say. As soon as that opportunity disappears, they will come back to us again. Of course, I have checked our payroll records as to the hourly rates of cutters, and I find for a period ending October 21, 1954, which includes a 6 months' period, that the hourly rate for cutters was \$1.93. That is good, mediocre, and poor producers.

Senator DOUGLAS. That is very much above the average, which Mr. Tiffany has shown in Maine and New Hampshire, unless the work is very irregular, because he was showing in his statement these average figures. He showed their earnings in 1954 the figures shown there. I suppose that would be 40 hours?

Mr. HERR. It is 48 hours in our case, and overtime after that.

Senator DOUGLAS. That would be almost \$100 a week, and yet the earnings shown are a little over half of that.

Mr. HERR. We have quite a few woodsmen that earn \$100 a week, good producers, and as a matter of fact some of them will go as high as \$200.

Senator DOUGLAS. Do you think workers for jobbers would get as much as that? May you not be a high-earnings employer and the jobbers would be paying much less?

Mr. HERR. I think that you are right. As a matter of fact, the areas that we happen to be cutting in are large, old-growth timber, and that, of course, helps the cutter to build up his production.

Senator DOUGLAS. It is first growth?

Mr. HERR. It is hardwood, and we are cutting areas now where the softwood was taken out, spruce and fir was taken out 25 and 30 years ago and at that time there was no use for hardwood, and so today we are going back into those areas and taking out the large, old-growth hardwood. That is for pulpwood and saw-wood use.

Senator DOUGLAS. Do you have any further statement?

Mr. HERR. I think not, sir.

Mr. TIFFANY. Mr. Chairman, before we proceed, I just wanted to mention the fact that, in connection with advertising, I have here available certain ads which not only demonstrate that the companies have made an effort to obtain employees in the United States, and United States citizens, but they have also made an effort to obtain recruitments for trainees in training camps, which I think is something that should be brought to your attention.

Senator DOUGLAS. May I look at the ads there?

(Documents were handed to Senator Douglas.)

Senator DOUGLAS. This is a paper with which I am unfamiliar, the Patriot of Bangor, Maine. Senator Smith, when did the Patriot proceed?

Senator MARGARET CHASE SMITH of Maine. It succeeded the Ewing Commercial.

Senator DOUGLAS. I am glad there is some competition in Bangor. I will say that.

Mr. TIFFANY. If you would be interested in certain statements that were made over the radio in this connection, we will give these to you.

We have a great many of these, and would it be possible, given time, to supply photostatic copies for the record?

Senator DOUGLAS. That may be done.

Mr. TIFFANY. Thank you very much.

(The exhibits referred to follow:)

TIFFANY & OSBORNE,
Concord, N. H., July 29, 1955.

HON. PAUL H. DOUGLAS,

*Chairman, Senate Committee on Labor and Public Welfare,
Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: I am sending you herewith certain exhibits to be added to the record of the hearing on Senate Resolution 98 in connection with my testimony on behalf of the northeastern group of the committee on imports for the American pulpwood industry on July 22, 1955, before the subcommittee of which you are chairman.

The first group of exhibits relate to the advertisements of the Great Northern Co. for cutters, trainees, and trucks, and are numbered as follows:

Exhibit No. 1. Cord Cutters Wanted, Bangor Daily News, May 7-8, 1955.

Exhibit No. 2. Wanted 1,200 Cord Cutters, Patriot and Bangor Daily News, May 24, 1955.

Exhibit No. 3. Cord Cutters Wanted, Bangor Daily News, May 21-22, 1955.

Exhibit No. 4. WLBZ spot announcement, Cord Cutters Are Wanted, May 13, 16, 18, 19, 1955.

Exhibit No. 5. WLBZ spot announcement, 1,200 Men Will Find Employment as Cord Cutters, May 12, 14, 17, 1955.

Exhibit No. 6. Trainees, Wanted Young Men 18 or Over, Bangor Daily News and the Patriot June 14, 1955.

Exhibit No. 6a. Woodsmen Trainees Suggestions for Supervisors in leaflet issued by John T. Maines, assistant manager of Woodlands Great Northern Paper Co., dated June 9, 1955.

Exhibit No. 7. Trucks Wanted, Bangor Daily News, January 18, 19, 20, 1955.

Exhibit No. 8. Trucks Wanted, Bangor Daily News, January 27, 28, 29, 1955.

Exhibit No. 9. Pulpwood Trucks Wanted, Bangor Daily News, January 28, 29, 30, 1955.

Exhibit No. 10. Trucks Wanted, Bangor Daily News and the Patriot, February 14, 15, 16, 1955.

Exhibit No. 11. Trucks Wanted To Haul, Bangor Daily News and Patriot, February 26, 28, 1955, March 1.

Exhibit No. 12. Pulp Trucks Wanted, Bangor Daily News, July 16, 17, 18, 1955.

Exhibit No. 13. 10 Wheel Baumis Trucks Wanted, Bangor Daily News, January 21, 1955.

Exhibit No. 14. Trucks Wanted, Bangor Daily News, January 24, 1955.

Exhibit No. 15. Trucks Wanted, Bangor Daily News, January 12, 1955.

Exhibit No. 16. Trucks Wanted, Bangor Daily News, January 5, 1955.

In addition to the foregoing, I am supplying herewith, the breakdown by States of the number of Canadians working in the logging camps in the period

from April to June 30, 1955. According to the information supplied to us by the Bureau of Employment Security, this breakdown is as follows:

April to June 30, 1955:

| | |
|--------------------|-------|
| Maine----- | 5,528 |
| New Hampshire----- | 450 |
| Vermont----- | 321 |
| New York----- | 143 |
| Total----- | 6,442 |

I request that the foregoing be made a part of the record of the hearing on Senate Resolution 98.

Sincerely yours,

GORDON M. TIFFANY.

EXHIBIT No. 1

[From the Bangor Daily News, May 7-8, 1955]

CORD CUTTERS WANTED TO CUT ROUGH AND PEELED SPRUCE AND FIR PULPWOOD

100 cutters are needed immediately. By May 16 to May 21. 200 more cord cutters will be needed at these 2 camps for peeling.

For further details contact T. S. Pinkham, superintendent, Fort Kent; N. W. Sutherland, superintendent, Sheridan; Maine State employment office, Caribou; Great Northern employment office, 100 Exchange Street, Bangor.

1,000 more cord cutters will be needed May 15 to May 21 for other camps. Locations and pictures of camps will appear in this space at a later date.

GREAT NORTHERN PAPER CO.

(Woodlands Department)

EXHIBIT No. 2

[From the Bangor Daily News and the Patriot, May 24, 1955]

WANTED 1,200 CORD CUTTERS TO CUT PEELED AND ROUGH PULPWOOD

Camps located at Allagash, Eagle Lake, Blackstone Siding, Ashland, Millinocket, Brownville, and several in the Pittston farm area.

Apply T. S. Pinkham, superintendent, Fort Kent, Maine; N. W. Sutherland, superintendent, Sheridan, Maine; C. H. Glaster, superintendent, Millinocket, Maine; E. J. Leavitt, superintendent, Pittston farm, Rockwood; Thomas Russell, superintendent, Pittston farm, Rockwood.

Further details are available at your nearest Maine State employment office or Great Northern Paper Co. (Woodlands Department) employment division, 100 Exchange Street, Bangor, Maine.

NOTICE.—Scalers are needed for the Pittston-Greenville area. Apply by mail to 100 Exchange Street, Bangor.

GREAT NORTHERN PAPER CO.

(Woodlands Department)

EXHIBIT No. 3

[From the Bangor Daily News, May 21-22, 1955]

CORD CUTTERS WANTED TO CUT PEELED SPRUCE AND FIR PULPWOOD

200 cutters are needed immediately. Similar camps are located at Red River, Allagash, Blackstone, Ashland, Millinocket. 1,200 cutters are needed to man these operations.

For further information contact: T. S. Pinkham, superintendent, Fort Kent; N. W. Sutherland, superintendent, Sheridan; C. H. Glaster, superintendent, Millinocket; Kenneth Bartlett, foreman, Red River; Raymond Guerrette, foreman, Blackstone Siding; E. J. Leavitt, superintendent, Pittston Farm, Rockwood; Maine State Employment Office, Bangor, Caribou, Skowhegan; Great Northern Employment Office, 100 Exchange Street, Bangor.

NOTICE.—A number of scalers are needed for the Greenville-Pittston area. Apply by mail to Great Northern, 100 Exchange Street, Bangor.

GREAT NORTHERN PAPER CO.
(Woodlands Department)

EXHIBIT No. 4

[WLBZ spot announcement, May 13, 16, 18, 19, 1955]

GREAT NORTHERN PAPER CO.

Written May 11, 1955. 1 Minute.

This announcement ran May 13, 16, 18, 19.

ANNOUNCER. Cord cutters are wanted by the Great Northern Paper Co. to cut rough and peeled spruce and fir pulpwood at various camps. One thousand two hundred cord cutters are wanted beginning May 16. Here are the camp locations: Pittston Farm, Rockwood. This area will cut only stump, rough spruce, and fir pulpwood. The superintendents are E. J. Leavitt and Thomas Russell. In Aroostook County: Allegash, Blackstone Siding, Red River, Mooseluck, and Twenty-Mile Brook. The superintendents are T. S. Pinkham and N. W. Sutherland. There are three camps in the Millinocket area and the superintendent is Charles H. Glaster. So, for all woodsmen, here's a call from the woodlands department of the Great Northern Paper Co. Contact the above-mentioned superintendents or the Great Northern Paper Co., Woodlands Employment Office, 100 Exchange Street, Bangor.

EXHIBIT No. 5

[WLBZ spot announcement, May 12, 14, 17, 1955]

GREAT NORTHERN PAPER CO.

Written May 10, 1955. 1 minute

This announcement ran May 12, 14, 17.

Announcer. 1,200 men will find employment as cord cutters by applying now to the Great Northern Paper Co. The Woodlands Department of the Great Northern needs cord cutters to cut rough and peeled spruce and fir pulpwood, at various camps. The Pittston Farm, in Rockwood, where E. J. Leavitt and Thomas Russell are superintendents, will cut only stump, rough spruce, and fir pulpwood. In Aroostook County, Great Northern Paper Co. camps are located at Allegash, Blackstone Siding, Red River, Mooseluck, and Twenty-Mile Brook. The superintendents are T. S. Pinkham and N. W. Sutherland. The superintendent for the Millinocket area where there are 3 camps is Charles H. Glaster. Here is an opportunity for cord cutters. Contact the Great Northern Paper Co., immediately.

EXHIBIT No. 6

[From the Bangor Daily News and the Patriot, June 14, 1955]

WANTED: YOUNG MEN 18 OR OVER TO TRAIN AS WOODSMEN

You will be trained to cut pulpwood in a safe and efficient manner and will be paid the prescribed legal rate while you learn. For further details, contact Great Northern Paper Co., 100 Exchange Street, Bangor, Maine.

EXHIBIT No. 6A—WOODSMEN TRAINEES, SUGGESTIONS FOR SUPERVISORS

1. INDOCTRINATION

Trainees will be given a short history of the Great Northern Paper Co., the product manufactured, location of the mills, the importance of the woodlands department in the overall picture, and be made welcome and wanted.

2. SAFETY

Each new group will be given some safety and first-aid instruction by members of the safety division. We suggest showing the movie. *It's Not the Axe, It's Joe*, one of the fire films, and also giving some instruction on fire prevention.

3. ORIENTATION

Geographical location of the operation should be clearly outlined with major terrain features emphasized, and specific instructions on the proper procedure to follow if one should stray and get lost.

4. TOOLS

The ax.—Each trainee should be taught to hang his ax for good balance and learn to grind it properly. A sheath is a must for each trainee's ax.

The power saw.—This is a very dangerous tool if not used properly. No man will be allowed to operate one without supervision or until the supervisor is positive that the trainee is qualified to do so.

5. FORESTRY

One of the company foresters will instruct the group on proper cutting methods, protection of young growth, diameter limits, proper piling, prevention of unnecessary waste, etc.

6. TRAINING PERIOD

Trainees will not be allowed to work unsupervised until the supervisors are positive that they can work efficiently and safely. Constant supervision should not be necessary after 2 weeks. For the next 2 weeks the supervisor should devote his time between crews correcting, instructing, and encouraging them. At the end of 1 month, trainees unable to meet the minimum hourly wage rate on a cord-rate basis, and/or lacking interest, will be terminated. A few days before termination, the employment manager will be notified.

GREAT NORTHERN PAPER Co.

JOHN V. MAINES,

Assistant Manager of Woodlands.

JUNE 9, 1955.

EXHIBIT No. 7

[From the Bangor Daily News, January 18, 19, 20, 1955]

TRUCKS WANTED

To haul peeled and rough pulpwood at Medway and Mattawamkeag. Hauling distance 5 to 15 miles, mostly on State highway.

Inquire: Floyd Welch, Mattawamkeag, telephone Winn 25; or Orville Estes, Medway, Telephone Pioneer 6-3492; or Great Northern Paper Co., 100 Exchange Street, Bangor.

EXHIBIT No. 8

[From the Bangor Daily News, January 27, 28, 29, 1955]

TRUCKS WANTED

To haul rough and peeled spruce, fir, and hemlock pulpwood at \$6 per cord. Wood to be landed at Millinocket mill. 10-wheel trucks preferred.

For further details contact Edward Bernard, Howland, Telephone West Enfield 54; or Floyd Welch, Mattawamkeag, telephone Winn 25; or Great Northern Paper Co., 100 Exchange Street, Bangor.

This is a winter's job.

EXHIBIT No. 9

[From the Bangor Daily News, January 28, 29, 31, 1955]

PULPWOOD TRUCKS WANTED

To haul peeled and rough spruce, fir, and hemlock pulpwood at Blackstone Siding, New Sweden, Maine. Short haul—maximum distance 7 miles—all winter's job.

Contact R. N. Clifford, superintendent, Sheridan, telephone Ashland 2131; Raymond Guerette, foreman at Blackstone Siding; Great Northern Paper Co., 100 Exchange Street, Bangor, Maine.

EXHIBIT No. 10

[From the Bangor Daily News and the Patriot, February 14, 15, 16, 1955]

TRUCKS WANTED

To haul rough spruce and fir pulpwood, 5 to 6 miles. This is a long job.

Contact August Boucher, Greenville, telephone 89-3; or Phil Bartram, buyer, telephone Dover 2586, home telephone 2660; or Great Northern Paper Co., 100 Exchange Street, Bangor.

EXHIBIT No. 11

[From the Bangor Daily News, February 26, 28, and March 1, 1955; the Patriot, February 28, 1955]

TRUCK WANTED

To haul rough spruce and fir pulpwood on the Brownville Road in the Mil-
linocket area. Distance 12 to 16 miles, round trip. Board and lodging—\$2 per
day.

For more information contact Mr. Bartley, Woodlands department. Tele-
phone Millinocket Park 3-5662 or Great Northern Paper Co., 100 Exchange
Street, Bangor, telephone 2-2193.

EXHIBIT No. 12

[From the Bangor Daily News, July 16, 17, 18, 1955]

PULP TRUCKS WANTED

To haul rough and peeled spruce, fir and peeled hemlock and hardwood to Mil-
linocket mill. Distance, 52 miles. Room and board available at the job.

For further details contact: Orville Estes, Medway, Maine, telephone
Pioneer 6-3492 or Floyd Welch, Mattawamkeag, telephone Winn 25.

EXHIBIT No. 13

[From the Bangor Daily News, January 21, 1955]

10-WHEEL BAUMIS TRUCKS WANTED

To haul peeled and rough pulpwood. Eight weeks hauling on excellent roads.
Apply: T. S. Pinkham, Fort Kent; Maurice Bartlett, Ashland; Great Northern
Paper Co., 100 Exchange Street, Bangor.

6-WHEEL TRUCKS ALSO NEEDED

In the Eagle Lake area for the same type of wood. Apply at the above addresses.

EXHIBIT No. 14

[From the Bangor Daily News, January 24, 1955]

TRUCKS WANTED

To haul rough and peeled spruce, fir, poplar, and hardwood pulpwood—from Long A Township to North Twin, East Millinocket and Millinocket. Hauling distances 11, 16, and 25 miles.

Contact P. H. Bartram, buyer, at Great Northern Paper Co., office, Main Street, Dover-Foxcroft, telephone 2586. Home telephone 2660.

EXHIBIT No. 15

[From the Bangor Daily News, January 12, 1955]

TRUCKS WANTED

To haul peeled and rough pulpwood in northern Aroostook.

Six or ten wheelers. Only trucks in A-1 condition, fully equipped and ready to haul will be accepted. Driver should bring his own helper.

Contact Great Northern Paper Co., Bangor, telephone 2-2193 or Morriss Bartlett, Ashland, telephone 2761, or Fort Kent, telephone 21.

EXHIBIT No. 16

[From the Bangor Daily News, January 5, 1955]

TRUCKS WANTED

To haul rough and peeled pulpwood in Eagle Lake and Medway, Maine.

Apply: Great Northern, Sheridan, or Orville Estes, Medway Union, or Great Northern Paper Co., 100 Exchange Street, Bangor.

Senator DOUGLAS. Do you wish to continue with your statement?

Mr. TIFFANY. I would like to point out that the table we have included with our statement includes all Wood Workers, working part time, and Mr. Herr's statement was talking about only the cutters and the full number of weeks that they worked.

With reference to the statement, coming back to that, Mr. Chairman, the time is getting late, and I want to point out that at the bottom of page 8 we discuss with some brevity, but quoting from the exact text, the laws relating to this program. We also consider the policies that appear at the bottom of page 9. It is my understanding that there will be representatives from the agencies of the Federal Government who may be able to fill you in on this.

No investigation is necessary to disclose this present policy and practice since it is clearly set forth in the statute, section 101 (a) (15) (H) (ii) provides as follows:

Immigrant means every alien except an alien who is within one of the following classes of nonimmigrant aliens.

(H) An alien having a residence in a foreign country which he has no intention of abandoning * * * (ii) who is coming temporarily to the United States to perform temporary services or labor, if unemployed persons capable of performing such service or labor cannot be found in this country.

Section 214 (a) authorizes the Attorney General to require a bond to insure that a nonimmigrant alien will maintain his status and leave at the end of his stay.

Section 214 (c) provides:

The question of importing any alien as a nonimmigrant under section 101 (a) (15) (H) in any specific cases shall be determined by the Attorney General, after consultation with appropriate agencies of the Government, upon petition of the importing employer. Such petition shall be made and approved before the visa is granted. The petition shall be in such form and contain such information as the Attorney General shall prescribe. The approval of such a petition shall not, of itself, be construed as establishing that the alien is a nonimmigrant.

The regulations of the Department of Justice provide that in the case of workers admitted under this clause of the act—

there shall be attached to, and made a part of, the petition, a clearance order bearing a statement from the United States Employment Service, that (i) qualified workers of the kind proposed to be imported are not available within the United States, and (ii) the employment service policies have been observed (8 C. F. R. 214h.41).

The employment service policies referred to in this regulation are:

(a) An adequate supply of qualified applicants cannot be obtained within the area served by a local office.

(b) Orders prepared for clearance meet the same standards as those which apply to the acceptance of local orders.

(c) Wages to be paid are not substantially less favorable to the individual than those prevailing for similar work within the area served by the local office.

(d) Working conditions involved are at least as favorable as the average for similar industries within the area served by a local office.

(e) Due consideration has been given to the availability of housing, or assurance can be given that positive assistance will be provided in locating suitable living quarters.

(f) Minimum compensation is specified for the worker.

Now, we believe the present legislation is legislation which should be preserved. We believe that no labor should be imported into the United States unless there is a shortage of the type of labor to be performed in the United States. That is our position.

The industry favors the standards that even when necessary labor is imported, it cannot be used to affect adversely the wages and working conditions of United States citizens.

Senator DOUGLAS. Their complaint is that lacking collective bargaining in the camps, that in practice you fix the wage, or at least the employers fix the wage and labor is imported on those terms.

Mr. TIFFANY. Mr. Chairman, that seems to me to be something which the agencies can testify to best. As far as we are concerned, I believe throughout this discussion the connection between the local office, and the State office and the regional office has not been fully clarified. I would hope that in the hearings on Monday that may be dwelt upon at some length, so that we can see the extent to which available United States citizens are sought to fill these jobs.

It is to our interest to have American labor where we can get it, and we would like to have it, and more of it.

Senator DOUGLAS. All right, you may proceed.

Mr. TIFFANY. The administrative machinery established under the act makes it certain that no labor will be imported unless there is a shortage of domestic labor, and then only at prevailing wage rates.

Under this procedure, the employment opportunities in the woods are fully advertised by the Federal and State Employment Services. In addition, industry engages in an intensive recruiting program in the States by newspaper, radio, television and personal recruiting. I have here evidence of this advertising campaign by a number of companies. In addition, organized labor is specifically notified by the Bureau of Employment Security of the requests for imported labor.

Only after it is apparent that there is a shortage of domestic labor for given occupations, are the employers allowed to import a specified number of workers in given occupations. The workers must come in through designated ports of entry and a check is made of workers actually imported. Once admitted under bond, a Canadian cannot change his employer or occupation except by returning to Canada and being imported upon petition of another employer or for a different occupation.

Even after being admitted, the Canadian bonded laborer is subject to immediate displacement without notice by any qualified United States worker who wants his job.

The prevailing wage rate for each occupation is determined by the State employment services under the supervision of the Bureau of Employment Security of the United States Department of Labor.

Working conditions in lumber camps are subject to regulations of the State Department of Public Health and the State Bureau of Employment Security. The inspectors of the Immigration and Naturalization Service also check on employment classifications and wage rates.

It is submitted that the present policy and practice with respect to importation of Canadian labor to work in the United States is reasonable and adequate. It meets the requirements of affording full protection of United States labor, the needs of industry, and the continuance of friendly relations with Canada.

The resolution secondly proposes an investigation into the number of bonded workers from Canada currently present in the United States. These figures are a matter of official record. We are advised by the Bureau of Employment Security that the current number of Canadian bonded laborers in the northeastern pulpwood industry totals 6,585 in New York, Vermont, Maine, and New Hampshire.

Senator DOUGLAS. That is at the present time?

Mr. TIFFANY. That is my understanding.

Senator DOUGLAS. But relatively few in New York; an unknown number, presumably small in Vermont, and the major portions in Maine?

Mr. TIFFANY. That is correct. Instead of our emphasizing the fact that there may be a few big companies that import, and so on, I think that you will find that there are 113 small men interested in operations that have requested small allotments and big allotments, from 2, 3, or 4 up. That makes it a broader problem than we have been discussing about on the record here.

The resolution thirdly proposes an investigation into the extent, if any, to which the presence of such bonded labor in the United States affects the opportunities for employment and wage rates of United States citizens engaged in the same or similar work. The short answer to any charge that the use of Canadian labor has adversely affected wage and working conditions of United States citizens em-

ployed or seeking employment in the pulpwood industry is that wages in the industry have steadily and substantially increased since 1947, keeping pace with general rise in wage levels since 1947.

Moreover, the fact is that Canadians are paid the same wage rates as United States citizens doing the work.

In the face of these comparative increases in wages, how can it be said that the use of Canadian labor has depressed wages in the logging camps of the Northeast pulp and paper industry.

Other working conditions have likewise improved. The camps of today bear little resemblance to the camps of 20 years ago and each day improvements are being made. Many of the new camps have showers and flush toilets. All camps are required to have screened quarters, clean kitchens, ample and varied food, and practically all of them meet these requirements.

Mechanical developments have greatly lightened the labor task and increased productivity substantially. Chain saws and other mechanical equipment are the modern assistants to the woods workers. Safety programs have reduced accidents. Radio and lately TV overcome the boredom of isolated life in the woods.

Senator DOUGLAS. You almost persuade me to apply for work in the woods if and when I leave the Senate. It will be a return of the native.

Mr. TIFFANY. We will give you a wonderful welcome. But there are still some features of labor in the forests that are not attractive. This is the other side of the coin, Mr. Chairman.

Woods workers are still pestered by black flies, gnats, and mosquitoes. That may not sound like much to a man down here, but I know I am saying it to a man who appreciates it.

Moreover; employment in the woods for the different groups of employees is necessarily seasonal. Little cutting can be done in the deep snows that cover most of the forest area throughout the winter. Only hauling operations are then possible since many large forest areas are almost inaccessible for hauling except over snow-covered roads. Fifty to sixty percent of the pulpwood is hauled out of the woods over snow roads during a period of only 2 to 3 months.

The muddy spring from late March to early May ends most woods activity, except river driving.

In answer to a question raised yesterday, there are still some freshet drives. They are not what they used to be, but they are still there.

While the winter is the period of peak employment for truckers when Canadian truckdrivers are necessary, the peak employment for cutters and their allied occupations occurs for many areas in the few months from May to August when the flow of sap makes possible the easy removal of bark, thereby saving costs in handling, transporting, and processing the barked log.

In this period of the highest level of production and employment in the history of the United States, workers can find more attractive jobs in the cities where they can enjoy the comforts of the city and family life.

Senator DOUGLAS. I do not want to get into a political dispute. You are saying that there is high employment in the State of Maine, and I had thought there was some unemployment there and in southern New Hampshire?

Mr. TIFFANY. You referred to high unemployment, sir?

Senator DOUGLAS. Yes, in the State of Maine.

Mr. TIFFANY. I may have heard the testimony slightly differently. I understood that as regards southern New Hampshire that at the present time there didn't appear to be much unemployment, although there may have been at some time in the past.

Senator DOUGLAS. I think that that is correct. But there is high unemployment in the State of Maine, certainly.

Mr. TIFFANY. I understand Mr. Fortier will be here and I cannot quote the figures on Maine unemployment. However, if there is unemployment in Maine, I would not hesitate to state that under this program, those of the unemployed who are available and able to do woods work have been offered the opportunity to work in the woods. If that is not the case, then the program is not working the way it is designed to work under the law and policies.

Securing and maintaining an adequate labor supply for the forest industries in northeastern United States, therefore presents acute and difficult problems, that have long been recognized by industry and Federal and State agencies. The attack on the use of Canadian labor does not solve any of these problems. Even if woods wages could be substantially increased, we submit that they would not attract many United States workers to give up lower paying jobs where they can be with their wives and children, in their own homes, amidst the companionship of friends and neighbors.

Wages in the Northeast pulpwood industry are limited by competitive conditions. The pulpwood industry in this region cannot pay wages produced by an artificial shortage of labor and survive.

Also, I would like to reiterate the point which Mr. Herr brought out in connection with the construction of the Massachusetts Throughway, and powerlines, and the Littleton Dam, and the distress areas razed by hurricane incidents; and that those wages are exceptional, and I think it is unreasonable to ask that we make a comparison with rates which men can earn in such areas on such spot projects.

The pulpwood industry in the Northeast must compete with the pulpwood industry in the South, which has an ample domestic labor supply, and with the industry in the Northwest, where 1 tree produces more wood than 10 trees in the Northeast.

Any reckless attack upon the necessary use of Canadian labor to support a billion dollar industry, creating jobs for 70,000 United States citizens, supplying products that go into our high standard of living as well as arming our Nation, is a disservice to labor, to the industry of our country, and our friendly relations with our Canadian neighbors. To cut off or restrict the supply of Canadian labor would only create an artificial and ruinous scarcity of labor that would not be filled by competent woodsmen.

The pulp and paper industry is working on the labor problems of the industry. It is constantly developing machinery to increase productivity and lessen the hard labor tasks in the woods. It is working to control the insect pests and is on the threshold of discovering chemicals to repel the fly, gnat, and mosquito. Training centers have been established, though without much success, in an effort to attract young United States citizens to the woods. The industry is constantly striving to overcome seasonality by better roads, planning production and debarking techniques. A plan for community life

where the men can live with their families and be transported to nearby woods daily by bus is now under experiment.

One thing seems clear to us. The resolution of these problems does not lie in any investigation of the use of Canadian labor, a necessary use that grows out of natural geographical, economic, social, and political relations, enduring and beneficial to the United States.

Mr. Chairman, I want to say that I think it would be a sorry day if I ever came here and opposed the right of the United States Senate or the House of Representatives, its full right to investigate and know all of the facts. That is not our position, and it is not my position. We simply raise the question of the necessity for it.

Senator DOUGLAS. Let me say that I am sure that the resolution is offered in good faith, and I am sure that Mr. Tiffany and those you represent do not question the good faith of the sponsor of this resolution.

Mr. TIFFANY. That is correct. This morning a few statements were made that I wanted to answer just briefly.

With reference to the need of Canadians for agriculture, apparently if it is conceded without question that you have to have Canadians for agriculture, then it would seem some evidence that you are going to need Canadians for woodwork.

It has been brought out that Canadians must be sent back without any notice whatever if Americans can be found at any time who will take the job. That is a practice that is followed.

With reference to the meeting of 7 or 8 people who met with Governor Muskie, it is my best recollection and the record will speak for itself in that case, that there were many more than 7 or 8 people.

Senator DOUGLAS. I think that that was stated, that what was originally planned to be a small meeting turned out into a very large meeting. I have the transcript here.

Mr. TIFFANY. I think it is interesting to note, since Mr. Cote's name has been mentioned, on page 47 of that transcript, since Mr. Cote was mentioned here, his statement—

Your Honor, I would like to say that I am the employee representative on the employment security commission. I fully expected to come up here to hear that the people I represent were being abused, but I see this group is made up mostly of independent operators. I would like to have Mr. Hurley tell us what he told the commission this afternoon about the change in restrictions, etc.

Then, continuing on page 57, we find that Mr. Cote, like any responsible man who is representing the interests of labor, speaks proudly here:

I would like to bring up another point as to the low rate paid in the woods industry. I am a unionman, and proud of it. Many people assume the employment security commission sets the wage rates in the woods. The word we prefer is average rate. The employers certify to us, write to our offices which happen to be broken down by areas, that they are paying a certain rate. They mention an hourly rate and there might be a 10-cent variation each way.

If an employer says he will pay that hourly rate within that variation, there is a little leeway. It is the average of all of the employers that sets the rates. Our local office manager sets the average rate for that locality.

I simply cite that because I think it is pertinent from that record.

I also think it should be emphasized that labor is given a 6- to 10-day period to see what they can do about finding men to fill these jobs. It was admitted that there were no choppers and sawyers in that area, and I think that the charge of collusion between employers and

commission is a most serious charge, Mr. Chairman, and one which certainly there appears to be no basis.

The labor interests are represented, and if that charge is to be given any serious consideration it would seem to me that Joseph Cote, as a matter of personal privilege, ought to be invited to attend.

Senator DOUGLAS. There was no charge, as I remember it, of collusion by Mr. Cote with the employers. There was some implication that Mr. Fortier generally approved the requests made, but I did not hear an implication that Mr. Cote was involved.

Mr. TIFFANY. My suggestion here is that if it is Mr. Cote's job to see to it that labor is properly represented on that commission, and the situation is such that these charges were made here with reference to that commission, then I would think that Mr. Cote would be an interested party, sir.

Senator DOUGLAS. We invited Mr. Fortier and we can send a telegram to Mr. Cote to come down Monday, too, if that is your request.

Mr. TIFFANY. In conclusion, the northeastern group of the pulpwood industry submits that Senate Resolution 98 is unnecessary. It submits that no case has been presented to justify any investigation. An investigation suggests that there is some evil in the use of Canadian bonded labor that should be remedied by legislation. The evident facts prove that the use of Canadian labor is not an evil, certainly not in the pulp and paper industry of Northeastern United States. For this industry, the use of Canadian labor has been indispensable to meet the needs of the industry to maintain current levels of production, employment, and wages.

Furthermore, the increasing use of this labor will be necessary to expand levels of production, employment, and wages. The 6,585 Canadian woodsmen now working in the northeastern forest camps of the United States are providing the raw material that keeps over 20,000 United States workers busy in the mills of New England and New York. The Canadian workers are not taking the jobs away from American workers. They are making jobs for American workers. They are doing the jobs that the United States workers do not want to do.

The use of Canadian labor is only one instance of the many exchanges of labor and goods between United States and Canada and we should welcome the assistance which our friendly neighbor gives to us in our economy.

Senator DOUGLAS. Thank you very much, Mr. Tiffany.

Do you have any further statement you want to make?

Mr. TIFFANY. No, sir.

Senator DOUGLAS. Do the people whose total experience in the lumber industry represents 278 years, have any observation?

Mr. KOVNER. There is one statement that the trucks coming from Canada do have to pay a duty, 15 percent of the value.

Mr. TIFFANY. Every year, if they come back twice, Mr. Chairman.

Senator DOUGLAS. Now, Mr. Martin, vice president of the local of the union in Berlin, would like to testify on matters dealing with the relationship between Americans of French descent and the French-Canadian workers.

Mr. Martin, would you like to appear?

STATEMENT OF RENO H. MARTIN, CHAIRMAN OF THE GRIEVANCE BOARD, LOCAL 75, INTERNATIONAL PULP, SULPHITE, AND PAPER MILL WORKERS, BERLIN, N. H.

Senator DOUGLAS. For the record, would you give your name and address?

Mr. MARTIN. Reno Martin, 695 Main Street, Berlin, N. H.

Senator DOUGLAS. I understand that you want to testify as to whether complaints against the importation of the Canadians of French descent is creating bad feelings among Americans of French-Canadian descent?

Mr. MARTIN. I am an American of French-Canadian descent. I was born in Maine, the northern part of Aroostook County.

Senator DOUGLAS. In the upper St. John Valley?

Mr. MARTIN. Yes, Grand Island, Maine. I lived there until I was 16 years old, and my parents came from New Brunswick. I have been living in Berlin now for the past 16 years. I worked in the Brown Co. Certainly I haven't been antagonized because the union people brought up the question of the bonded Canadian men.

Senator DOUGLAS. What is the general feeling among the Americans of French-Canadian descent in Berlin?

Mr. MARTIN. I see it this way, sir, that the people who do work in the woods, the big majority of them, are of Canadian and French descent and they are the ones that first brought up the question. Certainly, the reverse is true of what the gentleman was talking about. Certainly they are not antagonized; that is my opinion, anyway.

Senator DOUGLAS. Thank you very much.

Now, the final witness for the morning is Mr. Smith C. McIntire, representing the Aroostook Farm Labor Association.

STATEMENT OF SMITH C. McINTIRE, MANAGER OF THE AROOSTOOK FARM LABOR ASSOCIATION, CARIBOU, MAINE

Mr. McINTIRE. My name is Smith C. McIntire, and my residence is in Caribou, Maine, and I am a farmer.

I am here speaking for the Aroostook Farm Labor Association which is as indicated in the written testimony, a farmer cooperative, originally organized for the purpose of contracting for and using prisoners of war during the war period.

The organization has stayed in existence and now serves as a bonding agent for Canadian workers used in Aroostook agriculture. That is the only function it performs and I am informal manager of it, I assume; very informal.

I would like to confine myself to my written testimony here as I think it will more clearly present the problem that we have. In advance of reading that I would like to state that I see no direct connection, and no reason why we should have been here testifying other than this: We are definitely users of bonded Canadian workers. If from this meeting or further work in this field, it should be determined that changes in procedures were involved, our movement of bonded workers is handled under the same program. Any changes in the handling of bonded workers would influence our ability to obtain help. That is our only interest in this particular discussion.

Confining myself to the written statement, one-tenth of the Nation's potato crop, or 153,000 acres in 1954, was grown in Maine, largely in Aroostook County. This production is from an area 6 to 20 miles wide extending 140 miles along the northeastern corner of the Maine-Canadian boundary. The southern end of this area is isolated from Bangor, the nearest city, by 100 miles, much of which is forest. Aroostook has 4,600 farms as reported by the 1950 census. Its 1950 population is reported as 96,000. In the county are 2 villages of 10,000 population: Caribou and Presque Isle.

I would like to remark that I have rounded figures here somewhat.

The basis of the economy in Aroostook is agriculture, with potatoes the major source of cash income. Most of the commercial potato farms are owner operated with the farm family and hired hands resident on the farm.

Two-thirds of the county's population is of English origin including two Swedish communities. The other third, located mainly in the northern half of the county, is French and speaks both French and English. Many of these folk originally came from Canada.

Senator DOUGLAS. This is a digression, but a number of friends in Idaho claim that their potatoes are superior to Aroostook County. Do you agree with that?

Mr. McINTIRE. No, sir; I do not.

Senator DOUGLAS. Can you prove this superiority in Aroostook County potatoes?

Mr. McINTIRE. I would be glad for an opportunity, but I doubt if I should undertake it here.

The major labor problems associated with potato production in Aroostook is that of picking the potatoes at harvesttime. There is also a greatly diminished supply of regular farmhands and of seasonal workers needed for spring planting and for other seasonal peak employment such as for haying and for the harvest of peas and similar crops. However, while serious at times, these shortages do not reach the proportion of the potato harvest problem.

Historically, Aroostook's potato harvest has been dependent in part upon workers from outside the area. Prior to about 1929 border regulations permitted a rather free movement of Canadians. Laborers and their families often moved from Quebec and New Brunswick communities to work for their Aroostook relatives. This supply was supplemented by woods workers made available by the then customarily decreased woods operations during September and October.

The tightening of border restrictions about 1929 practically stopped the customary migration of Canadians. This was offset, however, by an increase in the movement of workers from southern Maine and from New England where industrial unemployment was rampant.

Later, with the expansion of industrial employment and the advent of social security, which relieved the economic pressure of temporary unemployment, the harvest shortage again became acute about 1942. The loss of men to the service, to outside industry and to the builders of local Army bases further decreased the supply of farmworkers.

In 1943 an expanded potato acreage and a decreased labor supply created a serious harvest situation. To meet this problem about 1,500 Kentucky and Oklahoma workers were imported by the Office of

Labor, USDA, together with a few Canadian students. Large importations from Canada were added in 1944. Similar movements of southerners, Canadians, and prisoners of war were made yearly for the potato harvest until 1947 with the maximum for any season being about 8,700. In addition, smaller numbers were required for other peak employment periods.

I would make the point too, as merely a matter of interest, that I served as State farm labor supervisor jointly for the Maine Extension Service in the United States Department of Agriculture during the war period and so I was directly in charge of the movements referred to.

The termination of the war emergency was followed by substantial reductions in potato acreage. Since 1947 Canadians have constituted the only workers imported for the potato harvest. There I mean the only ones imported in any program.

In the period 1943-47 the Canadian had moved without bond under war emergency legislation. Since then, all such workers have been crossed under the regular bonded worker program with the Aroostook Farm Labor Association acting as the bonding agent.

The Aroostook Farm Labor Association is a farmer association organized under the cooperative laws of Maine. It was first established for the purpose of representing farmers in contracting for and managing prisoners of war working on farms, mainly from the Houlton Air Base. Since 1947 it has served as their representative in securing Canadian workers and in attending to various details relative to this program.

This association includes as members all growers requesting bonded workers. It is governed by a board of farmer directors. It maintains an office at Caribou and employs a part-time executive officer.

The present program for the movement of Canadian potato harvest workers is handled as informally as possible and is based upon a mutual feeling of confidence between representatives of the Canadian National Employment Service, Maine Employment Security Commission, United States and Canadian Immigration offices and the Aroostook Farm Labor Association.

At this point I would like to add that I am a member of the special farm-labor committee in the Department of Labor, and over the past 10 years we have made every effort to leave this matter on the local basis.

The Maine Employment Security Commission is responsible for the determination of need and the placement of workers with individual farmers. All farmer contacts are with agents of this service.

The Canadian National Employment Service determines available worker supply, and allocates the numbers of workers to be moved by localities.

The United States and Canadian Immigration Services performs their duties relative to the actual crossing details.

The Aroostook Farm Labor Association participates in discussions relative to all phases of this program. It arranges for the bonds required, maintains a record of the location of workers and assumes responsibility for their return. Since 1947, a total of 26,490 have been crossed and only 2 remain unaccounted for.

I would add that the first one cost the association \$200 penalty and the second one cost \$500, the amount forfeited for failing to return.

The men are, for all practical purposes, Canadian, but we can't prove it.

The association collects from farmer members a \$5 membership fee plus a \$5 deposit per worker requested. It pools its expenses annually and refunds the unexpended balance of the deposit. Farmer cost per worker ranges from \$1 to \$3 depending on the number of workers involved and the problems encountered by the association.

Senator DOUGLAS. Do you recruit the Canadian labor on the other side of the border?

Mr. McINTIRE. The procedure, Senator, is this: Once a determination of need has been made, and through discussions the Canadian Government has indicated locations from which the men should come, a calendar is set up late in August or the first of September, in which they name localities, such as St. Rose, Vermoskie, or other points. Those calendars are published as September 1 and 2 at St. Rose. That is done by the Canadian National Employment Service. Those notices are forwarded to what they call the St. Rose Parish, and announced in church and over radio and so on.

On the days indicated the Canadian National Employment Service representatives will be there, and the Maine Unemployment Security Commission representatives will be there, and the procedure is for the Canadians who wish employment to pass the desk of the Canadian officials and once given an exit permit by the Canadian officials, they then go to the United States officials who are also in Canada at these recruitment points. And at that time their papers are made out as completely as possible for their crossing. The signature and fingerprints are left out.

In answer to your question, I would say that the Canadian Government does the recruiting. They supply the man with an exit permit and then we work with the people.

Senator DOUGLAS. Do you distribute them or does the employment service distribute them?

Mr. McINTIRE. The employment service distributes them.

Senator DOUGLAS. To the potato growers?

Mr. McINTIRE. That is correct.

I would add further that I have mentioned here the payment of transportation. The association assumes responsibility for transportation only when our ability to recruit drives us back so far that we have to resort to bus movements of a couple of hundred miles. Then the association steps in and provides the buses.

In all areas sufficiently near so that farmers can reach them, in Canada, the farmer goes to the workers' homes and gets the worker unless the worker has his own car as is often the case.

The association assumes responsibility for transportation where necessary and for other details which are outside of the functions of the governmental agencies involved. Approximately 600 Aroostook growers look to the association annually for this assistance.

The farmers accept the workers assigned at Canadian points or at ports of entry where this service is being performed by the Maine Employment Security Commission officials. They usually transport workers from their home and return, and employ the workers under terms agreed to prior to assignment. The Maine Employment Security Commission and the association agree with the Canadian offi-

cials upon a minimum wage that will be guaranteed workers when recruited.

That is set forth in writing in both French and English.

However, once workers have received their Canadian exit permits, they are free to negotiate with farmers for wages at or above this minimum and are assigned to the employer with whom they have reached agreement.

The spiral of picking wage rates from the 7½ percents per barrel with board, paid in 1942 to the 1954 figure of 25 cents, is evidence of the fact that wage rates have reflected the worker demand-supply situation. This rise becomes more significant when it is realized that the market value of the potato crop has declined 50 percent during the same period.

Senator DOUGLAS. You mean the last few years have not been periods of great prosperity for Aroostook County?

Mr. McINTIRE. That is correct, and the next one appears to be similar to the last 3.

Senator DOUGLAS. Of course, they had one period of all-time prosperity, and you say this does not apply to Aroostook County?

Mr. McINTIRE. That can be very easily proven. This year appears in all probability to be the fourth one.

The Maine potato crop, of which 85 to 90 percent is in Aroostook County, varies from 219,000 acres in 1943 to the 1954 figure of 154,800 acres. It would appear that the acreage in the immediate future can be expected to approximate 150,000 acres with a production of 55 million bushels; 20 million barrels. Figured on the basis of graded produce moved to market, this would equal 40,000 to 45,000 carloads. A crop of this size would require about 32,000 seasonal harvest workers. It has long been the custom for many schoolchildren and womenfolk to pick potatoes. The harvest usually starts about September 20 and should be completed by October 10, because serious freezing is common after that date. It is also customary for all local schools to close for a 2-week period during the harvest.

There are three major factors that have tended to reduce the supply of local workers and the output per individual:

1. Increasing worker objection to manual labor, particularly stoop labor.

2. Increased income of local nonagricultural workers, which reduces the need for the wife and children to earn. This is, in part, being counteracted by increased need for cash.

Senator DOUGLAS. I thought you said they were having trouble and you said the income was going down. Now you say it is going up.

Mr. McINTIRE. I have carefully added "nonagricultural workers," sir.

3. The rapid expansion of Army bases and related enterprises. Civilian employment at Loring Air Base, Limestone and Presque Isle Air Base, Presque Isle, have stimulated both daily and seasonal farm wage rate increases and have greatly depleted the supply of men available for farmwork. At times in recent years the employment of civilian workers at these bases and at companion installations have totaled over 5,000. This figure appears likely to be maintained in the immediate future.

It would appear reasonable to assume that the number of Canadian workers that will be needed for the Aroostook potato harvest in each

of the next few years will approximate 4,000 to 6,000. There are technological changes in prospect that might eventually reduce this need somewhat. The major one would be the general use of new potato harvest combines which could revolutionize the entire harvest operation. Machines of this type are in the experimental stage, but thus far have been unable to cope with the field stone common in Aroostook.

Number of Canadians imported for farmwork in Maine under the bonding program

| Year | Number workers for potato harvest Sept. 10 to Oct. 30 | Number workers for spring work May 1 to July 10 | Year | Number workers for potato harvest Sept. 10 to Oct. 30 | Number workers for spring work May 1 to July 10 |
|------|---|---|------|---|---|
| 1948 | 5,750 | | 1952 | 4,286 | |
| 1949 | 1,344 | | 1953 | 5,211 | |
| 1950 | 2,210 | | 1954 | 5,896 | 66 |
| 1951 | 1,793 | | 1955 | | 134 |

That is a combination of a digger with a belt operation, which, depending upon the machine, makes a partial separation.

I have included here a table of the number of Canadians imported, showing that last year there were 5,896 imported for this purpose.

Senator DOUGLAS. As conditions seem to get worse, you import more Canadians, do you not?

Mr. McINTIRE. You refer to conditions being worse, and you refer to financial conditions?

Senator DOUGLAS. Yes. In 1953 and 1954 you were importing 5,200 and 5,900, respectively, and in 1952 only 4,300, and in 1951, which I think was a prosperous year, there were only 1,800. How do you account for that?

Mr. McINTIRE. The variation, sir, in the number of men imported is in part influenced by the type of season you had, and if it is possible to get an earlier start in digging the pressure does not develop. The other concept, Senator, that is rather predominant is that you go out of business because you don't make money. It does not apply to the potato business. There are just as many potatoes to pick.

Senator DOUGLAS. You have some fat from the prosperous years to fall back on.

Mr. McINTIRE. That and some creditors.

There is an additional movement of 1,200 to 1,800 Canadian Indians that is unregulated as they require no bond. That is on the decrease at the moment.

Senator DOUGLAS. Where do they come from?

Mr. McINTIRE. Mainly from New Brunswick, and it is a free move. It has always taken place, and it picked up 3 or 4 years ago to 1,800, and it seems to be declining some. Now, it is probably due to other employment available in New Brunswick. But we practically deplete New Brunswick and part of Nova Scotia.

There appears to be no source of workers other than Canadians with which to meet this emergency harvest need. As previously stated, there are often close family ties between many of the Canadian workers and their employers. The Canadians are accustomed to the cold fall temperatures and to the type of hard manual labor involved. On

piecework of this type their earnings are more satisfactory than could be expected by workers who are less adapted to the work.

The shortness of the picking season, 3 to 4 weeks, is another factor as it does not provide a sufficiently long period of employment to attract workers from more distant areas.

Senator DOUGLAS. Thank you very much, Mr. McIntire.

Now, Mr. Parr, president of the New Hampshire State Federation of Labor, would like to make a brief statement in reply to the charge which was made in the letter to Senator Smith.

STATEMENT OF HARRY PARR, PRESIDENT OF THE NEW HAMPSHIRE STATE FEDERATION OF LABOR, HAMPTON, N. H.

Mr. PARR. Mr. Chairman, after hearing the letter that was introduced as evidence and I believe signed by the president of the Brown Co., of Berlin, N. H., the inference was made that we sought this hearing primarily to perhaps attempt to put pressure on the organization of the woods workers in the State of New Hampshire.

I feel, as president of the State federation of labor, I should make a denial insofar as the State federation of labor is concerned, that we in any way are attempting to use this hearing to the end of putting pressure upon anybody in the organization of the woods worker.

As I stated in my previous testimony, this is a matter that has been going on for a good many years in the State of New Hampshire. We in the labor movement are primarily concerned with the breakdown of the wages that we have fought for over a good many years, not only in the State of New Hampshire, but throughout this entire country. We, in the State of New Hampshire, are fearful and I know in the trucking industry, that I have the pleasure of representing, we are confronted in all of our negotiations with the competitive conditions that are created by the use of Canadian trucks, and by the wage rates that are published by the division of employment security which is far lower than our negotiated rates.

I want to say this, that at no time had an attempt been made to organize these woods workers in the State of New Hampshire until such time as the woods workers came to us appealing for assistance to do something to alleviate a condition that was bad.

I believe that the attempt to organize the woods workers came about after a long period of time of trying to get conditions established for these people in the woods by going to the division of employment security and in the evidence submitted to you a copy of the minutes of a meeting held in Concord, N. H., when the attorney for the pulpwood industry, Attorney Tiffany, was present, when I made the suggestion that perhaps at that time or some future date we may be able to establish a wage board and we may be able to sit down with one person representing management and one representing labor and one representing the public in an attempt to get a legitimate wage established, as a so-called predetermined wage.

Some time after that, in a letter that was addressed to Mr. Philip Smyth, and I believe you have the brief that was submitted by Attorney Angoff; on page 13 it starts:

A letter dated January 28 from the division of employment security at Concord, N. H., addressed to Mr. Philip Smyth—

and I will quote parts of that letter to you that are underlined.

He said:

The bottom rate they quote on any job is a rate which is high enough to get at least some American labor.

On page 14 there—I suppose that is where we ask for a board:

I suppose, however, that no such board could come into existence until labor in this field was organized and strong enough to demand from management the setting up of such a board.

This is dated in January of 1954 and it wasn't until almost a year later that the attempt was made to organize. That attempt was made because, based on the statement of the division of employment security, the only way that he thought that we could ever do anything to get a board created or established for the predetermination of wages was to get out and organize these people; and that is just what the local 75 or the labor representatives of the Berlin area did.

So that at no time has the federation had any idea of coming into a hearing such as this with an attempt to organize. We are very capable of organizing without coming before this Senate or any Senate committee.

I wouldn't want that thought left with you, Mr. Chairman, that we were making any attempt to organize these people with the efforts of the United States Senate.

Thank you very kindly.

Senator DOUGLAS. I think there is one final clarification that I should like to make. Perhaps I should make this before we adjourn the hearing, and that is the statement which Mr. Tiffany made that the introduction of the resolution of Senator Smith has been accompanied by charges of an excessive number of Canadians having been brought into the country to take jobs away from United States workers to break down wages and working conditions of workers in the United States.

I am sure Mr. Tiffany did not mean by that that Senator Smith had made the charges.

I want to make the record clear in that respect; that the charges have been made by others, and Senator Smith has been very careful to say all along that she merely wanted to have the facts established.

Mr. TIFFANY. I thank you for making that clear. I certainly did not intend to point any of those comments, to be attributed to the distinguished Senator from Maine.

Senator DOUGLAS. I think we want to make that clear.

The committee will adjourn until Monday, and Monday we will have Mr. Fortier as a witness, and the staff will send a telegram to Mr. Cote; and we will have representatives of the Immigration Service here and the United States Department of Labor.

We will adjourn until Monday morning.

(Whereupon, at 1:10 p. m., Friday, July 22, 1955, the hearing was recessed to reconvene at 10 a. m., Monday, July 25, 1955.)

The Board of Directors has the honor to acknowledge the cooperation and assistance of the various departments of the company in the preparation of this report. The financial statements are prepared in accordance with the generally accepted accounting principles and are true and correct in all material respects. The assets of the company are adequately insured against fire, theft, and other risks. The company's operations are in compliance with all applicable laws and regulations. The Board of Directors is confident that the company's financial position is strong and that its operations are profitable.

The Board of Directors has reviewed the financial statements and the operations of the company and has approved the same. The Board of Directors is confident that the company's financial position is strong and that its operations are profitable. The Board of Directors has also reviewed the company's policies and procedures and has approved the same. The Board of Directors is confident that the company's policies and procedures are sound and that they are being followed. The Board of Directors is confident that the company's financial position is strong and that its operations are profitable.

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IMPORTATION OF CANADIAN BONDED LABOR

MONDAY, JULY 25, 1955

UNITED STATES SENATE,
SUBCOMMITTEE ON LABOR OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D. C.

The subcommittee met at 10:45 a. m. in room P-63, United States Capitol, Senator Barry Goldwater presiding.

Present: Member of the subcommittee: Senator Goldwater.

Also present: Senator Margaret Chase Smith.

Also present: Stewart E. McClure, staff director; Roy E. James, minority staff director; John S. Forsythe, general counsel; Frank V. Cantwell and Michael J. Bernstein, professional staff members; and Grover C. Smith, chief clerk.

Senator GOLDWATER. The committee will come to order.

I want to apologize to those of you who have come here to testify for having been late, but after waiting 6 months to get a bill up before a committee, I finally got it in this morning, and I think the people of my State would be a little mad at me if I had not given them at least a half-hour talk or argument about the merits and demerits of that particular legislation. That sometimes happens here, and we do not like to delay you people, but now that we are open for business, I will ask Mr. Paul Jones, who is employment service director of the State of Maine, to testify.

STATEMENT OF PAUL E. JONES, EMPLOYMENT SERVICE DIRECTOR OF THE STATE OF MAINE

Senator GOLDWATER. Mr. Jones, it is a pleasure to have you here, and you can testify in any manner that you see fit.

Mr. JONES. Thank you, sir.

My name is Paul E. Jones, employment service director for the Maine Employment Security Commission. I have held that position since the fall of 1937. During the recent years when the matter of aiding and assisting and securing workers for the woods industry has been concerned, we have also had the operating processes and procedures relative to the importation of Canadian woodsmen for the logging and lumbering industry.

I was told there was one particular bit of evidence that has been given in this testimony to the effect that there has been some sort or some nature of collusion between the Maine Employment Security Commission and the employers or operators of the camps. To my knowledge, and I say that from being in pretty close contact with the actual operations, that is entirely unfounded. I know of no such action

at any level, administrative, or supervisory, or the performance level of our local offices where such a thing has been going on.

I have no other prepared statement, except that our agency shares the views in general that has been expressed by others, that if it were not for a sizable complement of Canadian workers, our paper mills and our potato harvest would both suffer. Beyond that I have no prepared statement to make. There are perhaps certain figures or statistics that have been entered in the testimony, and I regret that in our storeroom in Augusta, a flash flood a year ago last spring destroyed most of our historical data of that nature. I believe other gentlemen who are here today, if that is brought up as an issue, are adequately prepared to take care of that point. I would be glad to answer any questions to the best of my ability from there on.

Senator GOLDWATER. I just have one that comes to me. Do you feel that the companies concerned have made every effort to attract domestic labor?

Mr. JONES. Increasingly so. During the past 6 years, each year as they have gone by, I think there has been definitely an increase in effort to attract and hold the resident worker.

Now, I am going to emphasize that in this way, that it isn't only top policy but they have been handing it down through their supervisory levels and getting a higher degree of understanding in the camp and to the camp foreman. That is a realization of the necessity of giving the American worker every opportunity. I think they have come to the point that they fully realize that if they are to enjoy the privilege of utilizing the Canadian worker they must first take care of the resident worker, in every instance or opportunity where it can be done.

Senator GOLDWATER. Now, do you know the going wage for loggers in Maine, the hourly wage?

Mr. JONES. The average hourly wage?

Senator GOLDWATER. Yes.

Mr. JONES. I don't think that I have that one here.

Senator GOLDWATER. Do you feel that the average hourly wage offered by the companies is high enough to attract the domestic labor?

Mr. JONES. Well, I think that is so, and substantiated by the complement of the resident workers of all occupational categories that are in the woods. According to the geographic location of the camps, which has an influence in this thing, we find the varying degree from all-American camps to mixed camps, and then in the remote areas some camps where there will be a fewer number of American workers, and perhaps the complement made up of largely the Canadian workers.

Senator GOLDWATER. Do you have a minimum wage law in Maine?

Mr. JONES. We do not, sir.

Senator GOLDWATER. You do not have?

Mr. JONES. That is right.

Senator GOLDWATER. I have no further questions, Mr. Jones. I did have a question concerning a comparison of wages, but I find that Mr. Tiffany placed those in the record when he was here.

Mr. JONES. At the request of Mr. Joseph Cote, the labor representative of our commission, I was asked to mention his concern over one aspect of rates. That is wherein we have a prevailing rate or spread for a particular occupation. We have that available to show

to and offer to the American worker. His contention is that in a number of instances the higher figure in that range, or a rate even higher than that, is sometimes offered to the Canadian worker.

We are in the process of going to the operating camps and examining to prove or disprove that contention. We are putting personnel on to do that thing. At the present, it is an allegation, and I am not prepared to say the extent that it is true or untrue. I have heard that it is so, but my opinion is that it is an isolated instance up to this time.

Senator GOLDWATER. Do you know of instances in your State—or let me put it another way: Is the wage paid the Canadian worker in your State extremely lower than the wage paid the domestic worker?

Mr. JONES. No, they are at the same rates and levels, within the same rate structures.

Senator GOLDWATER. Within the same rate structures?

Mr. JONES. Yes, that is so.

Senator GOLDWATER. Does the Federal Government or the State government have the major hand in determining what rate will be offered the Canadian worker?

Mr. JONES. That is the responsibility of our agency to identify the prevailing rate structure, and we do it in this manner: Prior to the season, we ask every known source to send to us the last of rates or wages they intend to pay by occupational category. Our staff meets with the managers of the areas in which this activity is carried on. By occupation, all of that information is listed. We identify the range that is most prevailing, the most number of instances where these figures are commonly found, and discard those below the decided minimum, and drop off the extreme highs. The result is the spread that is considered to be prevailing. Any operators coming into the program later than that are expected to, and they do, abide by the findings.

Senator GOLDWATER. You are required, are you not, to stipulate that time and a half be paid for work over 40 hours?

Mr. JONES. That is right, sir.

Senator GOLDWATER. That comes under a regulation issued by the Department of Labor?

Mr. JONES. I believe that is the Wage and Hour Division of the Department of Labor.

Senator GOLDWATER. That would apply not only in Maine, but in any other New England State, or State of the Union?

Mr. JONES. That is my understanding.

Senator GOLDWATER. Where alien labor was used?

Mr. JONES. That is right.

Senator GOLDWATER. By the way, I want to make a part of the record here, a telegram received from Mr. Joseph Cote this morning, authorizing Mr. Jones to represent his views, and I would like to ask this question concerning Mr. Cote: Is he organized labor's representative on the employment security commission?

Mr. JONES. He is the employee or worker representative. Under our Maine law, the stipulation as to the identity of those who hold office on the commission does not stipulate that it shall be from organized labor.

(The telegram follows:)

JULY 25, 1955.

STEWART E. McCLURE,

Director, Senate Labor Committee,

Old Supreme Court Chamber, the Capitol, Washington, D. C.:

Received wire late due to vacation. Impossible to make necessary arrangements to attend hearings at hour specified. ES Director Paul E. Jones, representing the commission, is aware of my personal viewpoint on wage rates in woods industry. Will be available for any further testimony you may wish. Please advise.

JOSEPH E. A. COTE,

Commissioner, Maine Employment Security Commission.

Mr. JONES. I might say that it was the organized labor group that selected Mr. Cote as their candidate for the Governor's consideration in making the appointment.

Senator GOLDWATER. Do you feel that labor's views are given a fair opportunity to be heard on the commission?

Mr. JONES. In general I would say yes, although I am not privileged, and I do not attend the commission meetings. The three commissioners hold their sessions and put on record whatever they discuss, the conclusions reached. That is not available to the staff.

Senator GOLDWATER. Then I have one final question:

In your opinion, gained through your experience in this field, do you feel that the Federal Government should institute a study of the Canadian labor problem in the New England States, as requested—or suggested, rather—in Senate Resolution 98?

Mr. JONES. My opinion is that I know of no reason for such an action being necessary at this time.

In fairness to those from labor's point of view, who have brought this issue, without question I would admit that there may be some isolated instances where some individual may feel aggrieved, but they are so nil, in my opinion, that there is a matter of doubt in regard to the circumstance of the individual case. To my knowledge, practically all of those have been followed down by some interested agency.

Senator GOLDWATER. Thank you very much, Mr. Jones. I have no further questions. We appreciate your taking the time from your busy life to come down here and give us the benefit of your views.

Mr. JONES. Thank you, sir.

Senator GOLDWATER. Now, we have as the next witness, Mr. Sidney Rawitz, chief special inquiry officer, Examination Division, of the Immigration and Naturalization Service. He is accompanied by Mr. Chet Dyer and Mr. Maurice V. Page, the regional officer of Immigration and Naturalization Service from Burlington, Vt.

Gentlemen, we are happy to have you with us this morning, and I imagine you have prepared some kind of little team, and any way you want to proceed is agreeable to the committee.

STATEMENT OF SIDNEY B. RAWITZ, CHIEF SPECIAL INQUIRY OFFICER, EXAMINATION DIVISION, IMMIGRATION AND NATURALIZATION SERVICE (ACCOMPANIED BY CHET DYER, OF THE REGIONAL OFFICE OF THE IMMIGRATION AND NATURALIZATION SERVICE, BURLINGTON, VT.; AND MAURICE V. PAGE, SUPERVISING IMMIGRANT INSPECTOR, NORTHEAST REGIONAL OFFICE, BURLINGTON, VT.)

Mr. RAWITZ. My name is Sidney B. Rawitz, of the central office of the Immigration and Naturalization Service. I have a general statement of the procedures of Immigration and Naturalization Service

with respect to the subject which is under consideration by this committee.

Senator GOLDWATER. Senator Smith of Maine has just come in, and, Senator Smith, would you like to sit up at the table and keep me company?

Mr. RAWITZ. Our records show that importation of skilled workmen for temporary 6-month periods into northern New England and northern New York began in 1926, and continued until 1932. We have no statistics for this period, but I think it would be safer to assume that the importation followed an economic curve at that time. In 1926, times were prosperous and shortages in labor developed. In 1932, of course, the country suffered from a depression. This program did not go into operation again until August of 1941, during World War II, when shortages in labor again began to develop. The program has continued in operation from August of 1941 until the present time.

During the war, the allocation of Canadian labor to the individual employers was made by the War Manpower Commission. With the separation of the War Manpower Commission, of course this function was taken over by the United States Department of Labor.

During the war about the highest number of Canadian woodsmen who were with it in the United States pursuant to this program was approximately 3,000. The allocations are made pursuant to quotas which have been gradually raised from about 5,000 in September of 1945, to 9,900 in March of 1951, and that last figure is the quota set today.

Prior to the Immigration and Nationality Act of 1952, the authority for the admission of skilled Canadian woodsmen was found in the fourth proviso, section 3, of the Immigration Act of 1917, which provided that skilled labor, if otherwise admissible, may be imported if labor of like kind unemployed cannot be found in this country, upon the approval of the Attorney General.

Under the Immigration and Nationality Act of 1952, which became effective of December 24 of that year, authority for the importation of temporary labor in this country is found in section 101 (a) (15) (H) (2), which provides that an alien having a residence in a foreign country which he has no intention of abandoning, who is coming temporary to the United States to perform other temporary services or labor, if unemployed persons capable of performing such service or labor cannot be found in this country.

Under section 214 (c) of the same act, the importation of an alien for temporary labor is made by the Attorney General after consultation with appropriate agencies of the Government, upon the petition of the importing employer.

Senator GOLDWATER. May I interrupt, right there? I was wondering what the authority was for this use of foreign labor prior to the enactment of the immigration laws. You gave that as section 101 (a). That was prior to 1917.

Mr. RAWITZ. From 1926 when the program began, until 1952, the authority was under the Immigration Act of 1917, the fourth proviso to section 3 of that act.

Senator GOLDWATER. Now, how long have they been using Canadian labor in the New England woods?

Mr. RAWITZ. Our records show that the program began in 1926, sir. Senator GOLDWATER. There were none used before that?

Mr. RAWITZ. We have no information which would indicate that. Senator GOLDWATER. If they were used then they just came over by their own means, disregarding the laws?

Mr. RAWITZ. Yes, sir.

Senator GOLDWATER. Thank you.

Mr. RAWITZ. As the law is presently constructed, the company or individuals seeking to import skilled Canadian woodsmen file a petition, form I-29 (B), with the Immigration and Naturalization Service. If the prospective employer has never previously been granted permission to import labor, the Immigration Service conducts a field investigation to ascertain whether the prospective employer is a bona fide woods operator and also looks into the necessity for the importation of such skilled woodsmen. Thereafter, upon allocations made by the Bureau of Employment Security and upon posting of bonds with the Immigration Service, the purpose of the bonds being to guarantee maintenance of status and departure of such aliens, the petition is approved by the Service if the Service is satisfied as to all of the elements contained therein.

The employer is notified of the approval of this petition, and he makes his arrangements with the local employment service to obtain a clearance order. When all of this has been done, and approved, the employer or representative of the employer brings the individual aliens to the controlled port of entry where they are identified, charged against the bonds, documented with an alien laborer's identification card, fingerprinted and permitted to enter the United States for the duration of their status.

Senator GOLDWATER. Could I interrupt just a moment? Is there a provision in your regulations that you shall notify the State presidents of the AFL and CIO when the number of Canadians needed have been determined?

Mr. RAWITZ. There is no formal provision in our regulations, sir. Up until last year or so, the Immigration Service followed that procedure although it was not specifically required by our regulations. As it now works, the Employment Service makes the necessary contact with the unions.

Senator GOLDWATER. Is that done in the State through the State employment security commission? Do you notify the unions that this number is to come in?

Mr. RAWITZ. May I call upon either one of the other two gentlemen to answer some of these questions?

Senator GOLDWATER. Certainly; any time you want.

Mr. PAGE. We have given the list to the employment regional director there in Boston and he now notifies the various State presidents in the States through his office.

Senator GOLDWATER. That comes out of a Federal office in Boston?

Mr. PAGE. Yes, sir.

Senator GOLDWATER. And the local unions are notified?

Mr. PAGE. Yes, sir.

Senator GOLDWATER. That is all I had to ask.

Mr. RAWITZ. When the woodsmen terminates his employment in the United States, he is required to leave this country and must surrender his identification card at the control port upon departure to Canada. Any failure to depart within the terms of his authorized

stay is a basis for a breach of the bond which is posted by the importer or employer. The Immigration and Naturalization Service investigates any violations of the conditions under which the importation of skilled Canadian woodsmen is permitted.

Mr. Chairman, that is all of my general statement. We would all be very happy to answer such further questions as the Chair may see fit to put to us.

Senator GOLDWATER. Senator Smith, do you have any questions?

Senator SMITH. I have no questions; thank you.

Senator GOLDWATER. Well, Mr. Rawitz, do you keep records that would show the number of agricultural workers imported from Canada as against the number of woods workers that were brought in?

Mr. RAWITZ. I believe we probably could get statistics on the number of agricultural laborers from Canada, but we do not have them with us today.

Senator GOLDWATER. Would you please prepare such a list, showing in one column the number of agricultural workers from Canada, and in the other column the number of people brought in for work in the woods?

Mr. RAWITZ. We shall be happy to do so.

Senator GOLDWATER. If you have it available, from 1926 up until the present time. Or go as far back as you can go. I know that prior to the Federal Government getting into this, perhaps records were not necessary.

Mr. RAWITZ. We shall be happy to do so, sir. We do have statistics available on the number of woodsmen in the United States during the past year if the committee would find is helpful.

Senator GOLDWATER. I have those figures, and also regional figures for the last year that I will make a part of the record, but I think it would be proper to have the compilation that I asked for.

(The data requested follows:)

Imported Canadian laborers in northern New England and New York

| Month ending | Woods- men | Agricul- tural laborers ¹ | Month ending | Woods- men | Agricul- tural laborers ¹ |
|--------------------|---------------|--|--------------------|---------------|--|
| 1951—January | 6, 194 | ----- | 1953—April | 1, 143 | 170 |
| February | 5, 814 | ----- | May | 3, 806 | 198 |
| March | 3, 277 | ----- | June | 4, 750 | 310 |
| April | 2, 856 | ----- | July | 4, 145 | 228 |
| May | 4, 653 | ----- | August | 3, 843 | 368 |
| June | 5, 334 | ----- | September | 4, 003 | 5, 576 |
| July | 5, 335 | ----- | October | 4, 593 | 512 |
| August | 5, 737 | ----- | November | 4, 759 | 393 |
| September | 6, 559 | ----- | December | 4, 347 | 371 |
| October | 7, 088 | ----- | 1954—January | 4, 753 | 378 |
| November | 7, 431 | ----- | February | 3, 924 | 375 |
| December | 6, 249 | ----- | March | 1, 645 | 424 |
| 1952—January | 7, 122 | ----- | April | 510 | 318 |
| February | 5, 587 | ----- | May | 3, 588 | 486 |
| March | 2, 679 | ----- | June | 5, 095 | 555 |
| April | 1, 698 | ----- | July | 4, 512 | 501 |
| May | 4, 977 | ----- | August | 3, 415 | 434 |
| June | 6, 226 | ----- | September | 3, 823 | 5, 769 |
| July | 5, 535 | ----- | October | 4, 184 | 527 |
| August | 5, 080 | ----- | November | 3, 941 | 479 |
| September | 3, 523 | ----- | December | 4, 971 | 438 |
| October | 4, 587 | ----- | 1955—January | 4, 924 | 432 |
| November | 4, 451 | ----- | February | 3, 838 | 413 |
| December | 5, 001 | ----- | March | 1, 558 | 464 |
| 1953—January | 5, 243 | ----- | April | 305 | 488 |
| February | 3, 860 | ----- | May | 4, 894 | 648 |
| March | 1, 022 | ----- | June | 6, 442 | 597 |

¹ Monthly statistics on Agricultural laborers not available prior to April 1953.

Now, do you know of any companies operating in New England that operate employment agencies as such in Canada?

Mr. DYER. No; to my knowledge there are none. Each company has a designated representative that recruits its Canadian labor, but they do not maintain any employment agency.

Senator GOLDWATER. They do that only after you have certified as to the number that will be allowed to come in?

Mr. DYER. That is correct.

Senator GOLDWATER. Mr. Rawitz, do you feel that the companies in your State are doing all that they can do to induce domestic labor into this field?

Mr. RAWITZ. I do not believe, sir, that we are qualified to answer that particular question.

Senator GOLDWATER. I am interested in that because I have figures here that show that during the depression of 1939 we still brought in 3,000 Canadian woodsmen and I was wondering if a condition existed in your own opinion whereby the companies were not paying a sufficiently high wage to attract domestic labor.

Mr. RAWITZ. The Immigration and Naturalization Service is an enforcement agency in this particular subject matter. The Service relies on the United States Department of Labor for its certifications as to prevailing wage rates and availability or nonavailability of domestic workers.

Senator GOLDWATER. I will not press that point with you because you are not supposed to know anything about it.

Mr. RAWITZ. May I just make this point, Mr. Chairman: If the Service were to have any knowledge or if any specific complaints were made to the Service, under our general enforcement powers we would look into those complaints.

Senator GOLDWATER. If you had complaints that a Canadian worker was not paid overtime for work over a 40-hour week, you would look into that?

Mr. RAWITZ. This would be within our province. All specific complaints, sir, are investigated.

Senator GOLDWATER. Have you had occasion to investigate any complaints such as those?

Mr. RAWITZ. Mr. Dyer, would you answer that?

Mr. DYER. We always make it a special point to investigate any complaints by employees concerning the wages, living conditions, or failure to employ domestic labor.

Senator GOLDWATER. Now, let us take the period from September of 1953 to March of 1954; there were 5,424 Canadian woodsmen in New England. How many complaints did you handle during that period?

Mr. DYER. I would be unable to answer that, Mr. Chairman. I have been more or less allocated to a particular portion of Vermont as far as importation of woodsmen are concerned. Perhaps Mr. Page could answer that question. He is in our district office and perhaps he could give you an estimate of the number of complaints.

Mr. PAGE. I would be unable to give you statistics on that. I could add that we have had a varying number of complaints, not too many, but a few during the period while I was in St. Albans in active work. We have always investigated them and through our service have checked the camps from time to time most thoroughly.

Senator GOLDWATER. Would you say the complaints were sufficiently large in number to warrant our going through with the recommendations of Senate Resolution 98 for a Senate investigation?

Mr. PAGE. Could I say the complaints have been very few in number, compared to the number of importers that we have in this operation.

Senator GOLDWATER. Are you in a position to say whether the complaints would be 10 per thousand, or 50 per thousand, or 100 per thousand?

Mr. PAGE. If I were to make an estimate and it would be purely an estimate from the past, those complaints might average only six a year or something along that line; a very small number.

Senator GOLDWATER. To be fair to you, would it be possible for you to supply this committee with any typical year, if we could take last year it would be better. Could you show the figures for the total number of Canadian laborers, and then the total number of complaints by type, that is overtime, underpay, and failure to live up to living condition agreements, and so forth? Would that be possible?

Mr. PAGE. We could give you a pretty close estimate, Mr. Chairman.

Senator GOLDWATER. We will make that a part of the record at this point.

(The information referred to follows:)

COMPLAINTS RELATIVE TO CANADIAN WOODSMEN PROGRAM

1953

- July. In re petition, Auguste Boucher, Maine. In complaint from laborer that he was discharged in favor of Canadian. Investigation discloses his discharge on closing of operation.
- November. In re petition, Louis Grandmaison of Colebrook, N. H. Investigation discloses imported woodsman employed other than importer. Bond breached, \$500.
- December. In re petition, Clark & Drew, of Stratford, N. H. Complaint alleged lower wages offered than prevailing wages. In excess of prevailing offered.
- December. In re petition, Roland J. Perrault. Complaint from laborers union in vicinity of St. Francis, Maine, that Americans would not be hired by importer. Investigation discloses some of applicants intoxicated, offered to employ those in condition, refused unless all of group hired. Complaint not sustained (union outside of woodsmen program).

1954

- February. In re petition, Atlas Plywood. Complaint that American cookee was discharged in Fitchburg, N. H., operation and replaced by Canadian cookee. Sustained and company discontinued employment of foreman responsible for this violation.
- March. In re petition, Atlas Plywood. Complaint of discrimination against domestic worker, found not sustained upon interviewing the worker.
- March. In re petition, Louis Grandmaison. Complaint that petitioner imported a woodsman working as a taxi driver. Petitioner cleared of blame and case closed.
- March. In re petition, John G. Wallingford, the Forks, Maine. Investigation of woodsman allegedly out of status. Satisfactorily adjusted upon completion of investigation.
- April. In re Nadeau Lumber Co., of Wild River, N. H. Complaint, employing bonded woodsman illegally. Upon investigation disclosed operation closed with only domestic workers.
- April. In re petition, Poulin & Poulin of Somerset County, Maine. Investigation disclosed jobber position of one of the company gave apparent violation of status. Adjusted upon completion of investigation by departure of men.

- May. In re petition, Atlantic Lumber Co. Investigation disclosed two Canadians previously under bond with permit canceled, employed as caretakers. Returned to Canada.
- May. In re petition, Walter C. Gardner, Kilkenny, N. H. Investigation as to area of operation clarified with new job order with United States Employment Service.
- July. In re petition, Docite Dumond. Investigation of subject's operation in Maine on complaint that United States citizen clerk replaced with Canadian for less wages discloses dismissed for incompetency and Canadian paid higher wages.
- July. In re petition, Atlantic Lumber Co. Investigation as to passing out bad checks by importer's jobbers disclosed only involved domestic workers, not Canadians.
- August. In re petition, Clark & Drew of New Hampshire, concerning dismissal of American blacksmith found discharged for incompetency and no reason for complaint.
- September. In re petition, Clark & Drew of New Hampshire. Investigation of complaint that two Americans discouraged from accepting employment because of dirty condition of camp. Investigated with New Hampshire health authorities and conditions improved thereafter.
- October. In re petition, Armand Roy. Petition to import woodsmen to work in Maine denied upon investigation for failure to pay overtime required by Fair Labor Standards Act. Upon satisfactory clearances by the Wage and Hours Division of the Labor Department and investigation disclosed in compliance. Permit granted.
- November. In re petition, John Redmond. Using woodsmen for clearance of flowage land for Maine Power Co., resulted in required petition for general importation aside from the program.
- December. In re petition, John G. Wallingford. Investigation of woodsmen allegedly out of status. Satisfactorily adjusted.
- April. In re Morris C. Buck. Alleged discrimination against domestic labor. Investigation disclosed refusal to employ when applied in intoxicating condition and importer established preference for domestic labor.
- May. In re Washburn Lumber Co., New Hampshire. Alleged discrimination against domestic workers reported by employment service. Bond breach pending on subject found out of status.
- May. In re petition, John G. Wallingford of Maine. Investigation disclosed blacksmith out of status. Bond breached for \$500.

Senator GOLDWATER. Do you have anything else that you wish to add?

Mr. RAWITZ. No, sir, we do not.

Senator GOLDWATER. Senator Smith, do you have any questions that have come to your mind?

Senator SMITH. No, thank you.

Senator GOLDWATER. I want to thank you three gentlemen for being here, and to come down here from your business day and help us in this very important determination.

Mr. RAWITZ. It has been a pleasure, sir.

Senator GOLDWATER. The next witnesses that we have are Mr. Robert Goodwin, Director of the Bureau of Employment Security, and he is accompanied by Mr. Arthur Gernes, regional director of the Bureau of Employment Security from Boston, Mass.

Gentlemen, we are happy to have you with us today, and I see that Mr. Goodwin has a prepared statement, and you can either submit that for the record or read it or make comments and proceed in any way that you care to.

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR OF THE BUREAU OF EMPLOYMENT SECURITY, DEPARTMENT OF LABOR, ACCOMPANIED BY ARTHUR GERNES, REGIONAL DIRECTOR, BOSTON, MASS.; ARTHUR MOTLEY, ASSISTANT DIRECTOR OF THE EMPLOYMENT SERVICE, WASHINGTON, D. C.; AND WILLIAM B. GROGAN, DIRECTOR OF THE WAGE AND HOUR AND PUBLIC CONTRACTS DIVISION, DEPARTMENT OF LABOR, WASHINGTON, D. C.

Mr. GOODWIN. Mr. Chairman and Senator Smith, I am very glad to have this chance to appear before the committee. I also have with me today Mr. William Grogan, who is the Acting Deputy of the Wage-Hour Division of the Department. There are some questions that have been raised in relation to the administration of the wage-hour law. If he can join us here, in case there are any questions that come up, I think it would be desirable.

Senator GOLDWATER. We would be very happy to have him.

Mr. GOODWIN. Mr. Arthur Motley, who is the Assistant Director of the Bureau and under whose immediate supervision this program comes, is also here; if necessary we can call him to the stand later to answer any questions that you may have, if you desire.

I appreciate the opportunity of appearing before your subcommittee as a representative of the Department of Labor to discuss the policies and practices of the Department with respect to the use of Canadian workers admitted to the United States for temporary employment.

These workers are admitted under the provisions of the Immigration and Nationality Act and the regulations of the Attorney General issued for its administration. The Immigration and Nationality Act provides that the Attorney General, upon petition of an employer for the admission of such workers, shall consult with appropriate Government agencies. Under the regulations issued by the Attorney General, provision has been made for performance by the Department of Labor of the following functions:

Certifying whether (a) qualified workers of the kind proposed to be imported are available within the United States; and (b) the Employment Service policies have been observed with respect to non-immigrant aliens admitted pursuant to section 214 of the act.

Certifying, with respect to applications for extension of temporary admission under section 214 of the act, that the facts which justified the importation of the alien continue to exist.

A petition of an employer under the Attorney General's regulations will be approved by the Immigration and Naturalization Service, to whom the responsibility for the administration of the Immigration and Nationality Act has been delegated, only if it is accompanied by a certification from the United States Employment Service that qualified workers of the kind proposed to be imported are not available within the United States and that the Employment Service policies have been observed.

The policies of the United States Employment Service prohibit the referral of any workers to any position where the wages or conditions of work offered are substantially less favorable than those prevailing for our own workers on similar work in the area of employ-

ment. The Department of Labor utilizes the machinery of the affiliated State public employment offices to determine the availability of resident labor for the various areas in which employers seek to use foreign workers. Our procedures provide for the local public employment offices to extend every effort to obtain qualified workers residing in this country. It is only in situations where it appears that workers cannot be obtained within the United States to fill the employer's needs that a certification is given as to their unavailability.

The determination as to whether resident workers are available and whether the wages and conditions of work offered are not substantially less favorable than those prevailing for other workers on similar work in the area of employment is in the first instance made by the State public employment offices. The State agency's determination of these facts is accepted by the Department of Labor for purposes of the certifications required in connection with the admission of the foreign workers unless the Department's information on such matters gives it reasonable cause to look into or question the sufficiency of the State determination. The Department may refuse for any one of a number of reasons to issue a certification to admit foreign workers. We may find, for example, from information available to the Department that resident workers are available from sources outside the State involved, or we may question whether the wage rate offered is the prevailing wage rate paid to other workers similarly employed in the area of employment.

The Department's policies are geared to assure that our own workers are given the first opportunity to accept or reject the available job opportunities. Moreover, we do not consider that our obligation is discharged when a foreign worker is employed pursuant to a certification as to the nonavailability of our own workers. In general, our procedures require the local public employment office to engage in continuous recruitment efforts, even after foreign workers have been employed, to assure that no resident workers who become available in the interim are denied the opportunity for employment. As the committee knows, under the Immigration and Nationality Act the final determination as to whether a foreign worker is permitted to enter or remain in this country is vested in the Attorney General of the United States.

Another policy of the United States Employment Service is to make no referral to a position where the services to be performed or the terms or conditions of employment are contrary to Federal, State, or local law. Accordingly, the Department's certification in connection with the admission of foreign workers will not issue where it appears that the employment is subject to the Fair Labor Standards Act or to the Davis-Bacon Act, 8-hour laws, or other statute requiring payment of prescribed minimum, prevailing, or overtime wages and that wages offered will not meet the statutory standard. Similarly, no certification would be issued for employment of young workers under 18 years of age in hazardous logging and lumbering occupations for which the minimum age under the Fair Labor Standards Act is 18.

The subcommittee has requested information concerning the part played by the Department's Wage and Hour and Public Contracts Divisions in the foreign-labor program. The operations of these divisions operations are in no way directed nor specifically geared to our labor program. The Fair Labor Standards Act is enforced

on the basis of the nature of the work performed by employees. The provisions of this act and of the Public Contracts Act are applicable to all employment in this country which comes within their respective terms, regardless of whether the employees are residents or nonresidents of the United States. With respect to the Fair Labor Standards Act's child-labor provisions, while arrangements have been made with the Canadian provinces for furnishing proof of age where an investigation seeking compliance indicates possible violations affecting a suspiciously youthful employee, they are similar to comparable arrangements which the divisions have made for like reasons with our own States.

Another question which is raised by Senate Resolution 98 is with respect to the number of Canadian laborers currently present in the United States. Information which we have obtained from the Immigration and Naturalization Service indicates that during the 2-week period ending June 15, 1955, there was a peak number of 6,227 Canadian workers in the New York and New England woods.

Senator GOLDWATER. Would you let me interrupt you there?

Do you have the figures indicating the total of people employed in this area?

Mr. GOODWIN. I think Mr. Gernes can give you some figures. I think he can give you a reliable picture on that, Mr. Chairman.

You are talking about agriculture?

Senator GOLDWATER. What I am coming to is this 6,227 represents 50 percent or 80 percent, or what, of the total?

Mr. GOODWIN. Mr. Gernes will be able to give you some information on that.

Would you care to have that now, or after I have finished?

Senator GOLDWATER. You can proceed with your testimony. I will ask him when he is ready to testify.

Mr. GOODWIN. All right.

Almost all other employment of Canadians takes place along the border, under circumstances where the Canadians commute from their homes to places of work in this country. Later in the calendar year some Canadians will work in the United States in the wheat harvest and in the harvest of the main potato crop.

The final inquiry raised by the resolution concerns the extent to which the presence of Canadian workers in the United States affects the employment opportunities and wage rates of United States citizens engaged in the same or similar services.

The procedures of the Department of Labor which I have outlined to you are designed to provide adequate safeguards to assure that the employment of foreign labor in the United States will not adversely affect the employment opportunities of our own workers or the wage rates of our workers similarly employed.

That completes my formal statement, Mr. Chairman, and I will be glad to try to answer any questions.

Senator GOLDWATER. Do you have any questions, Senator Smith?

Senator SMITH. I have no questions, except to say that Mr. Goodwin has always been very helpful when we have been in trouble up there in Maine.

Mr. GOODWIN. Thank you very much, Senator.

Senator GOLDWATER. I did not know that you ever got in trouble in Maine.

Senator SMITH. We get in trouble when we do not have anyone to cut wood.

Senator GOLDWATER. I want to read section 214 (c) of Public Law 414, which leads up to a question I want to ask you which was put in my mind by testimony given on either Thursday or Friday of last week. I quote:

The question of importing any alien as a nonimmigrant under section 101 (a) (15) (H) in any specific case or specific cases shall be determined by the Attorney General, after consultation with appropriate agencies of the Government, upon petition of the importing employer. Such petition shall be made and approved before the visa is granted. The petition shall be in such form and contain such information as the Attorney General shall prescribe. The approval of such a petition shall not, of itself, be construed as establishing that the alien is a nonimmigrant.

Under the wording of that paragraph and what might exist in other portions of the act, do you ever certify the need for workers other than agricultural or woodsmen?

Mr. GOODWIN. This group is referred to locally as bonded woodsmen, I believe. I am not familiar enough with the citations to be absolutely sure that I have this identified properly, but I think this refers to those that are admitted under the visa applications, which is a different procedure than the bonded woodsmen to which my statement is directed.

Senator GOLDWATER. The testimony was given the other day that Canadians are coming into New England States to drive trucks—in fact, their own trucks—in competition with American business, and that the garages were hiring Canadian mechanics. Now, I was interested in finding out whether they came in under the provisions of this act or whether they came in under the provisions of this act and then worked in other fields.

Mr. GOODWIN. All of them, as I understand it, come under the provisions of the same act, which authorizes the Immigration Service to bring them in.

There are two different provisions, however, in that act. One of them has to do with the visa applicants. It is my understanding that those are confined to Canadians who announce their intention of making the United States a permanent residence.

I think that is the citation you gave.

Under the bonded arrangement, that is temporary employment and that is what the woodworkers come under. It also is the provision under which some of these truckdrivers have been brought in.

There have been a few isolated instances of other classifications also. Mr. Gernes will be able to talk to that point as well as the number that have been brought in under these other occupations.

Senator GOLDWATER. Inasmuch as that was a complaint by labor the other day, I think that we should find out to what extent it exists.

Now, this act and the section I quoted pertains to nonimmigrants, and I was very interested myself to find out whether or not a garage in Maine could ask for Canadian mechanics, or I do not know how you would go about this, or whether a Canadian could bring his own truck into Maine and compete with American truckers, as was testified to.

Mr. GOODWIN. Yes. The provision of the law does not restrict this to the Canadian woodworker.

Senator GOLDWATER. That is the answer that I wanted.

Mr. GOODWIN. These other classifications can be brought in. There have been very few of them because we have not had shortages of the same kind that we have had in Canadian woodworkers.

Senator GOLDWATER. Have you been able to justify certification of classifications like garage mechanics and truckers and truckowners?

Mr. GOODWIN. On the trucks, yes.

Senator GOLDWATER. You mean there are not sufficient American interests to provide trucking? Is this trucking confined to the hauling of logs out of the woods, or is it the trucking of produce and merchandise and other things?

Mr. GOODWIN. The only kind that I know anything about, Senator, has to do with the trucking of the logs. The thing that you have to keep in mind on this entire problem is the geographical factor. Much of the area served and much of the area we are talking about here is closer to Canada than any other source of American labor. One of the factors you are up against in attempting to recruit American labor is the unwillingness to move the long distances that are involved.

Senator GOLDWATER. Do you have any questions?

Senator SMITH. On page 5, Mr. Goodwin, you refer to the wheat harvest of the "main" potato crop. Do you mean the potato crop in Maine?

Mr. GOODWIN. I apologize for that error.

Senator GOLDWATER. On the second page of your statement you testified to the fact that the policy of the United States Employment Service will not allow you to certify where wages and working conditions are substantially less favorable than those prevailing for our own workers. Do you take into consideration there the prevailing wage or the union scale?

Mr. GOODWIN. We take into consideration all wages including any union scales that may be applied in the area.

Senator GOLDWATER. On the third page of your statement, you state:

The Department's policies are geared to assure that our own workers are given the first opportunity to accept or reject the available job opportunities.

Do you do that by notifying the heads of the CIO and the AFL as to these requirements?

Mr. GOODWIN. Yes. Our procedures require that they be notified, but this is done, principally, Mr. Chairman, through a requirement that the employer place an order with the Employment Service and that that order remain active for the full time that there are any foreign workers in the country. If at any time we can replace the foreign workers through recruiting domestic workers, then the employer is required to make that shift.

Senator GOLDWATER. Do you feel, in general, and I know this is outside of your bailiwick a bit—but do you feel, in general, that the employers of New England or, specifically, Maine, if you want to confine it to that, are doing everything they can to entice domestic labor into this field?

Mr. GOODWIN. Well, Mr. Chairman, that is a broad statement, that is, "everything they can." I would say that they have done reasonably well, and we have not been generally dissatisfied. Their activity, I would say, has improved each year. We would hope for further improvement as we go along. We think they have made reasonable progress, that they have done reasonably well.

Senator GOLDWATER. That is all of the questions I have to ask you, sir.

Now, we have not determined this other question. What is the relationship of that figure I quoted? Six thousand two hundred and twenty-seven; is that the figure? What relation does that have to the total employment in this industry?

Mr. GERNES. I have some later figures to present to the committee. As of the end of June, there were 6,442 Canadians in New England and New York State. Of that number, Maine had 5,528; New Hampshire had 450; Vermont had 321; New York had 143. There were 145 importers who were using these Canadians. Of that number, 80 to 90, approximately, were jobbers, and the rest of them were the mill owners and the lumbermen.

Now, I have a table here which I would be pleased to put into the record which shows the estimated total employment in Maine in logging camps and logging operations, and alongside of that, by months, for 1954, and for the first 6 months of 1955, the total number of bonded men in the country by month.

Senator GOLDWATER. That will be made a part of the record.

But just for information at this time would you select any month that you would care to?

Mr. GERNES. I will give you the last 6 months.

These estimates were made by the research department of the division of the Commission in Maine. Beginning in January of 1955, the estimated total employment was 7,500 and the number of Canadians was 4,180. That was in January. In February the estimated total employment was 7,300, and the number of Canadians dropped to 3,830. In March it dropped again, until in April, when the old season was over, the estimate was that there were 3,800 people employed in the woods operations in Maine, and 122 were Canadians.

Then the new season opens up in April, and they begin to come up again. The estimated employment in June was 9,900, and the number of Canadians in June was 5,215.

That is about the way it is running in Maine.

(The complete figures follow:)

Employment in Maine (group 241),¹ logging camps and logging contractors (includes cutting pulpwood)

| | Estimated total employment | Usage—bonded Canadian workers | | Estimated total employment | Usage—bonded Canadian workers |
|------------------------|----------------------------|-------------------------------|---------------------|----------------------------|-------------------------------|
| January–December 1954: | | | 1954—Continued | | |
| January..... | 7,500 | 3,726 | November..... | 7,600 | 3,641 |
| February..... | 7,200 | 3,149 | December..... | 7,300 | 4,055 |
| March..... | 4,600 | 2,518 | January–June, 1955: | | |
| April..... | 3,300 | 636 | January..... | 7,500 | 4,180 |
| May..... | 6,100 | 1,007 | February..... | 7,300 | 3,830 |
| June..... | 9,300 | 3,854 | March..... | 5,100 | 2,218 |
| July..... | 9,500 | 4,185 | April..... | 3,800 | 122 |
| August..... | 8,100 | 2,975 | May..... | 6,800 | 4,020 |
| September..... | 7,300 | 2,904 | June..... | 9,900 | 5,215 |
| October..... | 7,500 | 2,945 | | | |

¹ Does not include individual farmers producing pulpwood and long logs.

Mr. GERNES. Now, we have the figures to show the number of workers in logging contractors in the State of New Hampshire, Vermont, and New York, and it runs about the same.

In Vermont, the estimated number of all workers in September of 1954 was 566, with 281 of those Canadian laborers. In New Hampshire in the same period, that was from April to September of 1954, there were estimated 922 working in the logging camps, of which 506 were Canadians. In New York, the percentage working in the logging camps, the number of Canadians working in the logging camps as compared to the total is much smaller. I will give you one period. In April 1954 to September of 1954, it was 1,407 estimated, and the total 178 Canadians.

I can put that in the record, if you care to have that.

Senator GOLDWATER. Would you put that in the record, also. (The statement referred to follows:)

*Logging camps and logging contractors, peak employment*¹

| Period | Maine | | Vermont | | New Hampshire | | New York | |
|---------------------------------|-------------|------------------|-------------|------------------|---------------|------------------|-------------|------------------|
| | All workers | Canadian workers | All workers | Canadian workers | All workers | Canadian workers | All workers | Canadian workers |
| October 1951 to March 1952..... | 7,747 | 5,435 | 629 | 192 | 1,497 | 1,381 | 2,667 | 109 |
| April to September 1952..... | 7,753 | 4,801 | 572 | 161 | 1,133 | 1,155 | 2,155 | 441 |
| October 1952 to March 1953..... | 6,736 | 4,179 | 445 | 289 | 1,210 | 708 | 1,908 | 67 |
| April to September 1953..... | 6,619 | 3,641 | 564 | 314 | 1,070 | 833 | 1,469 | 98 |
| October 1953 to March 1954..... | 5,239 | 3,557 | 421 | 503 | 1,028 | 693 | 1,564 | 132 |
| April to September 1954..... | 6,764 | 4,305 | 566 | 281 | 922 | 506 | 1,407 | 178 |
| October 1954 to March 1955..... | ----- | 4,337 | ----- | 248 | ----- | 320 | ----- | 92 |
| April to July 1955..... | ----- | 5,528 | ----- | 320 | ----- | 450 | ----- | 143 |

¹ Does not include individual farmers producing pulpwood and long logs.

Senator GOLDWATER. That answered that question.

Now, there is one other question that possibly you may not have the answers with you; but if you do not have it, I would like for you to submit it.

Can we get a breakdown by States as to how many woods employees are from Canada and how many are domestic; that is, carry out you Maine tabulations to include Vermont and the others?

Mr. GERNES. That was the second table, Mr. Chairman.

Senator GOLDWATER. Let me ask you a further question on that. I have a table here, also, but it merely gives Maine and New Hampshire, and it does not give Vermont and Massachusetts.

Mr. GERNES. I have Vermont and New York. We do not bring any Canadians into Massachusetts.

Senator GOLDWATER. Do your tables go into South Carolina, Georgia, Florida, Arkansas, and Louisiana?

Mr. GERNES. It does not.

Senator GOLDWATER. We will combine your information with the information that I have and make one complete table out of it.

Senator Smith, do you have any information? Do you have any questions?

Senator SMITH. I have no questions.

Mr. GERNES. On the question of the woods mechanic, I checked the records and found that several years ago two woods mechanics were brought into the Berlin area from Canada. They were in for a 6-month period and returned. There have been no other mechanics, automobile mechanics, brought in.

Senator GOLDWATER. It is just two?

Mr. GERNES. Yes.

Senator GOLDWATER. Do you know how many trucks?

Mr. GERNES. I do not have the total on trucks; but, to augment what was said on the trucking industry, the employers have woods labor trucks for only certain months of the year in the winter months. They make unusual efforts through advertising and other methods to get all of the trucks that they can. In addition to that, they need many more. We bring in under the program a certain number of truckdrivers with trucks.

Senator GOLDWATER. Do they pay any duty on trucks?

Mr. GERNES. They pay duty on those trucks every time they move into the country.

Mr. GOODWIN. Part of the problem here, Mr. Chairman, as I understand it, is the terrific concentration you get on the need for them within a comparatively short period of time. You see, they have been cutting during the winter when they could not truck out in certain places. Then when they can get out, it all comes in a relatively short period of time.

Senator GOLDWATER. I want to thank you three gentlemen for coming down and giving us your presentation.

At this point I want to make a part of the record a series of documents and tables here beginning with the temporary use of Canadian woodsmen in New England States, admitted under Public Law 414, 82d Congress, followed by an index to the attachments, and then an outline of the general operating procedure for the importation of Canadian woodsmen and a chart or a compilation of figures that shows peak employment during certain periods; then a series of tables, Employment Hours and Earnings in the Logging Industry From 1947 to 1954, and another table showing substantially what we were just talking about.

And I would like to have the staff combine Mr. Gernes' figures with these to make them complete, that is, the table covering logging camps and logging contractors, showing the employment covered by State unemployment insurance laws, and another table showing the average weekly wages in various States, another table showing employment covered by State unemployment insurance laws in selected States, and a final compilation showing the use of Canadian woodsmen, April 1, 1954, through March 31, 1955.

(The document and tables referred to follow:)

TEMPORARY USE OF CANADIAN WOODSMEN IN NEW ENGLAND STATES (ADMITTED UNDER PUBLIC LAW 414, 82D CONG., THE IMMIGRATION AND NATIONALITY ACT)

The following is a brief résumé of United States Employment Service and affiliated State agency participation in the Canadian woods program (bonded woodsmen) in New England and in New York State:

1. The role of the Employment Service is to determine the availability of labor in the United States to fill the needs of the woods industry. In doing this the Employment Service takes specific job orders from the employers, determines the comparability of the wages and working conditions offered with those prevailing in the community, recruits and refers all available resident workers, and certifies to any shortage.

2. In carrying out its responsibilities the Employment Service examines each job order in the light of all policies and standards of the department having to do with the acceptance of job orders and referral of workers by the United States Employment Service.

3. Available qualified resident workers are always referred to available woods jobs under the procedure. This is true not only prior to the entry of Canadian

workers to fill vacancies but also while Canadians are employed. Job orders of positions temporarily filled by Canadians are kept open during the time Canadians are on the jobs and American workers are referred either to those or to comparable woods jobs. The failure of an employer to hire a qualified worker referred to him while he has a similarly employed Canadian on his payroll constitutes cause for the Immigration and Naturalization Service to cancel his authorization for the temporary use of Canadians.

4. United States Employment Service operations in the woods program are decentralized to the Boston regional office.

5. The Boston regional BES director spends a great deal of his time in carefully checking these operations and in keeping informed of latest developments incident to the operation in both labor and management circles. His staff also spends considerable time on the problem as do Maine, New Hampshire, and Vermont employment service officials and their staffs.

OPERATING PROCEDURE FOR IMPORTATION OF CANADIAN WOODSMEN

FILING OF PETITIONS

An importer will be requested to file his petition with the district office of the Immigration and Naturalization Service, St. Albans, Vt., on form I-129-B, and supplement, in duplicate for the importation of Canadian woodsmen without any breakdown as to job classifications. This will be done by February 15, for the period beginning April, and August 15, for the period beginning October 1. The district office of the Immigration and Naturalization Service will furnish the regional office of the Bureau of Employment Security with one copy of the petition and supplement after its acceptance.

Woodsmen Order Form W-1 for the local office will not be required to accompany the petition form I-129-B.

ALLOCATIONS

The regional office, BES, will review the petition and recommend an allocation to the district office of the INS., and notify the importer and the State employment security agency of the allocation. Before making this recommendation, the regional office of BES will review the use made of the comparable and previous 6-month quota in an effort to bring the allotment in line with actual use. The district office of INS will process the petitions for bond and other requirements, notify the importers of approval of the petitions and place importers on notice that they must file a Woodsmen's Order Form W-1 with the appropriate local employment office and personally appear at such employment office for clearance of woodsmen orders before importation will be allowed.

INCREASE OR DECREASE IN ALLOCATION

An importer wishing an increase in his allocation up to the original request will phone, write, or wire the regional office, BES, requesting the increase. The regional office will recommend such increases, if found warranted, to the district office of INS, and will notify the importer and the State employment security agency. The district office of INS will proceed as on the original request. If an allotment beyond the original request is desired, the importer will proceed with a new petition to the district office of INS.

If it is found later from semimonthly reports, form 151, compiled by the INS border station, that an importer is not using his allocation over a period of time, the regional office of the BES will contact the importer in an effort to adjust the allocation downward.

NOTIFICATION TO UNIONS

When the Bureau of Employment Security grants an allocation it will notify the State presidents of the AFL and CIO of the number of Canadians recommended to the Immigration and Naturalization Service.

PROCESSING OF WOODSMEN ORDER AT THE EMPLOYMENT OFFICE

On or before March 15 and again before September 15, the local office of the State employment security agency will contact each importer who has been given an allocation in addition to all other known employers of domestic labor to secure from them wage information. Not less than 15 days before an importer

desires to actually import Canadian woodsmen, he or his representative will appear in person and file seven copies of the Woodsmen Order Form W-1 for the number of men he wishes to import with the appropriate local employment office or offices in the area where the work is to be performed. The Woodsmen Order Form W-1 will show a breakdown of the workers to be imported by job classifications and the wage rates to be paid. The local office manager will review the orders as to location of operations, number of men by classifications, and other relevant material, and check the wage rates. Rates must be at least 75 cents per hour, or the prevailing rate, whichever is greater. This minimum applies to all categories including woodsmen or special workers. Piecework rates must average at least 75 cents an hour or the prevailing rate whichever is greater, and time and one-half must be paid for work over 40 hours. However, an exception to the 40-hour provision is made for cutting peeled pulpwood, spring freshet driving, and snow-road hauling. This exception raises the overtime period of 40 hours to 56 hours per week in the specified seasons. Employers of 12 or less are exempt from the 40-hour overtime provisions of the wage and hour laws.

If the rates do not meet the prevailing wage rates the orders will be corrected by the importer or his representative. The prevailing wage rates shall be identified by the Employment Security Administrator in that State.

The local office manager will then prepare to refer as many qualified domestic workers as possible against the importer's order, using all practicable recruitment facilities. He will secure the information from the importer as to the port of entry. From that time on and through the importing 6-month period referral of qualified domestic workers will be made. The manager will certify on all copies of the Woodsmen Order Form W-1 the number and classifications of woodsmen to be imported and the date such importations shall commence, after it has been determined that additional domestic workers are not available. Such certification will take place immediately prior to the date of entry. The total number must be within the allocation recommended by the regional office of the BES. Seven copies of the certified Woodsmen Order W-1 will then be distributed as follows: (1) Port of entry; (2) INS, St. Albans; (2) regional office, BES; (1) local office file, and (1) the importer.

CONTROL AT PORT OF ENTRY

A copy of the certified woodsmen order approved and signed by the employment office manager will permit the port of entry to admit only the number and classification of men specified. Controls will be set at the port of entry for the importation up to the number specified on the woodsmen order.

CHANGE IN WOODSMEN ORDER

Any changes in the importer's labor requirements will require the submission of a new woodsmen order in (7) copies which will reflect his current total needs at the local employment office and will be processed as the original and similarly distributed.

MAINTENANCE OF ORDERS

The regional office of the BES will give the State employment security agency the names of the importers and the number of Canadian woodsmen allocated to each about March 1, and September 1. The regional office of BES will also notify the State employment security agency of the number of Canadian woodsmen charged to the bond of each importer as of the 1st and 15th of each month.

INVESTIGATION PROCEDURE

If a worker complains of nonpayment of wages or failure to meet established wage rates it should be referred to the appropriate State or Federal agency. A statement should be taken by the local office manager and sent to the State office for transmittal to the regional office where it will be sent to the Wage and Hours Division for investigation. Complaints about health and other relevant matters will be similarly handled by the State health department or other responsible governmental agencies being notified and the statement being sent to the State office for transmittal to the regional office for such other action as may be deemed appropriate.

In the event that complaints other than those involving wages are given to the local offices of the State employment security agency, the manager will obtain both the worker and employer's statement relative to the issue. Such statements shall be transmitted to the INS at St. Albans with copies to the regional office of BES and the State office. When the regional office of BES is informed by INS relative to their findings and action such information will be forwarded to the State employment security agency.

NOTES CONCERNING USE OF CANADIAN WOODS WORKERS

Employment of Canadian workers in our northeastern forests is a practice of long standing. It was customary long before World War II. In 1943 a formal program was drawn up to clarify Government responsibility in the employment of Canadian woodsmen in New England and New York logging operations. The following table shows the peak employment of Canadian woodsmen by period since Employment Service participation in the program began.

| | <i>Peak employment</i> |
|------------------------------|------------------------|
| March 1944 to October 1944 | 3,354 |
| November 1944 to April 1945 | 4,879 |
| May 1945 to October 1945 | 4,760 |
| November 1945 to April 1946 | 6,332 |
| May 1946 to October 1946 | 5,951 |
| November 1946 to April 1947 | 7,291 |
| May 1947 to October 1947 | 7,493 |
| November 1947 to April 1948 | 7,883 |
| May 1948 to October 1948 | 5,754 |
| November 1948 to March 1949 | 5,979 |
| April 1949 to September 1949 | 3,311 |
| October 1949 to March 1950 | 3,148 |
| April 1950 to September 1950 | 3,673 |
| October 1950 to March 1951 | 6,194 |
| April 1951 to September 1951 | 6,559 |
| October 1951 to March 1952 | 7,449 |
| April 1952 to September 1952 | 6,229 |
| October 1952 to March 1953 | 5,243 |
| April 1953 to September 1953 | 4,886 |
| September 1953 to March 1954 | 5,424 |

Employment of Canadian woodsmen by month for period April to September 1953

| | | | |
|---------|-------|----------|-------|
| Apr. 1 | 715 | Apr. 15 | 1,143 |
| May 1 | 1,925 | May 15 | 3,806 |
| June 1 | 4,543 | June 15 | 4,750 |
| July 1 | 4,886 | July 15 | 4,145 |
| Aug. 1 | 4,041 | Aug. 15 | 3,843 |
| Sept. 1 | 4,176 | Sept. 15 | 4,003 |

You will note that even in 1949 when there was relatively heavy unemployment in the United States, more than 3,000 Canadian woodsmen were employed. During May to September 1953 Canadian woodsmen represented about 50 percent of total logging employment in the New England States and New York. The employment of a large number of Canadians is due to several causes. Much of the northeastern forest (particularly in Maine) is remote from centers of population in this country but very near Canadian centers. It is easy for Canadian workers to reach the logging site and return home several times during the season. Such commuting, however, is difficult or impossible for United States workers. In addition, Canadians are eager to work in the woods jobs, whereas native workers are not because they have more attractive alternatives nearer their homes.

The formal program specifies that whenever a native worker is available for a woods job it will be given to him rather than to a Canadian. From this it would seem that employment of Canadian workers should not deny a job to any qualified American who wants one.

SEASONALITY

A question has been raised whether by lengthening the season of operations the supply of native workers might not be sufficient without the use of imported labor. This does not seem to be the case. Logging is carried on the year around, with peak operations in the winter and summer. There is usually a low period between March 15 and May 15.

Weather and terrain account for the seasonal pattern. Much of the northeast forest is swampy, which makes transportation difficult in warm weather. Also, in summer the woods are infested with black flies—a biting insect. Until recently peak operations was in the winter, but in the last few years summer difficulties have been largely overcome. Cleaner camps and better insect repellents have reduced discomfort from black flies and make it possible to carry on extensive peeling operations during warm weather. The result is that sharp seasonal fluctuations have been eliminated except for that brief period in the early spring when the thaw makes logging very difficult. (Employment in New England and New York, by months, is shown in table 4 attached.)

WAGES

The contention that employment of Canadian workers depresses the wage level is difficult to prove or disprove. Perhaps if no Canadian workers were available the labor shortage would be so great that wages would rise high enough to attract native workers to the woods. On the other hand, such labor shortage and high wages might force logging operations to close down.

The facts are, however, that wages in logging in Maine (which is chiefly pulpwood) are higher than in Southern States where more than half the Nation's pulpwood is cut as well as about one-third of the Nation's lumber.

Detailed wage data are difficult to obtain for the logging industry. The Bureau of Labor Statistics publishes a national series, but no State data. These are shown in table 1 (attached). The BLS figures show that over the past 7 years average weekly earnings have gradually risen. Since 1953, however, the trend has been downward, primarily as a result of shortened hours. In mid-1954 there was a west coast strike that idled some 60,000 workers and caused a sharp drop in the national average of weekly earnings. This strike, however, did not affect the New England logging industry; the only strike in that part of the industry during 1954 was one of the Brown Lumber Co. of Berlin, N. H., in November.

In order to obtain some comparison between earnings in the Maine woods and in other forest areas, average weekly wages were computed from unemployment insurance data on employment and wages in States that account for approximately two-thirds of all employment in the logging industry. The wages so derived (shown in table 3 attached) are not directly comparable with and are consistently lower than BLS data. Difference in coverage and in the time period included in the computations account for some of the variations, while turnover in the UI data tends to depress the UI averages. Nevertheless, the data are adequate for comparing wage levels among the various States and for determining trend of earning.

These data offer no evidence that employment of Canadians in the Maine woods depresses wages or has prevented their keeping pace with the logging industry in general. Average weekly earnings in Maine are much higher than those in the Southern States (which cut both pulpwood and lumber) though they are at the same time much lower than earnings in Washington and Oregon where logging operations are chiefly for hardwood lumber and timber. As for rate of increase in recent years: average weekly earnings in Maine rose 41 percent between 1947 and the first quarter of 1954, while average weekly wages in the entire industry rose only 27 percent.

USE OF CHAIN SAW

According to Mr. Josephson of the Forest Service, chain saws are in general use throughout the logging industry. Their use is a little less general in Maine, however, because the Canadians seem to prefer hand saws.

Introduction of the chain saw is not recent. It was first used around 1909 and grew in popularity through the years. Since 1946 when good postwar implements became available its use has grown rapidly and is now practically universal.

TABLE 1.—*Employment, hours, and earnings in the logging industry, 1947-54*

| | All employees | Production workers | Average weekly earnings | Average weekly hours | Average hourly earnings |
|-------------------|------------------|--------------------|-------------------------|----------------------|-------------------------|
| | <i>Thousands</i> | <i>Thousands</i> | | | |
| 1947..... | 92.5 | 88.6 | \$55.15 | 38.3 | \$1.44 |
| 1948..... | 86.7 | 82.6 | 60.26 | 38.7 | 1.56 |
| 1949..... | 78.5 | 73.6 | 61.31 | 39.1 | 1.57 |
| 1950..... | 91.5 | 86.2 | 66.25 | 38.9 | 1.70 |
| 1951..... | 106.1 | 100.3 | 71.53 | 39.3 | 1.82 |
| 1952..... | 99.7 | 93.2 | 77.68 | 41.1 | 1.89 |
| 1953..... | 102.1 | 94.8 | 79.00 | 39.5 | 2.00 |
| 1954—January..... | 74.8 | 67.6 | 72.74 | 38.9 | 1.87 |
| February..... | 85.7 | 78.6 | 73.92 | 38.7 | 1.91 |
| March..... | 96.7 | 89.6 | 72.96 | 36.3 | 2.01 |
| April..... | 96.7 | 89.9 | 80.30 | 37.7 | 2.13 |
| May..... | 116.1 | 108.3 | 76.80 | 36.4 | 2.11 |
| June..... | 125.6 | 117.8 | 79.18 | 39.2 | 2.02 |
| July..... | 92.2 | 64.6 | 63.00 | 37.5 | 1.68 |
| August..... | 96.1 | 88.6 | 67.30 | 38.9 | 1.73 |
| September..... | 112.6 | 104.8 | 68.16 | 35.5 | 1.92 |
| October..... | 120.2 | 112.4 | 75.83 | 38.3 | 1.98 |

Source: Bureau of Labor Statistics.

TABLE 2.—*Industry 241, logging camps and logging contractors, employment covered by State unemployment insurance laws*

| State | 1947 | 1949 | 1951 | 1953 | 1954 | 1954 | | | |
|--------------------------|--------|--------|--------|--------|--------|-------------|------------|------------|-------------|
| | | | | | | 1st quarter | 2d quarter | 3d quarter | 4th quarter |
| Total United States..... | 78,423 | 67,284 | 84,289 | 69,157 | 63,718 | 53,169 | 64,600 | 66,261 | 70,833 |
| Maine..... | 6,321 | 4,676 | 6,775 | 5,277 | 4,990 | 4,451 | 4,348 | 5,519 | 5,640 |
| New Hampshire..... | 1,359 | 724 | 1,247 | 929 | 804 | 817 | 580 | 860 | 959 |
| South Carolina..... | 3,615 | 3,193 | 2,935 | 1,901 | 1,718 | 1,807 | 1,630 | 1,726 | 1,708 |
| Georgia..... | 2,443 | 2,800 | 2,556 | 2,188 | 2,000 | 2,058 | 1,896 | 1,989 | 2,057 |
| Florida..... | 2,024 | 2,000 | 2,350 | 2,168 | 1,913 | 1,898 | 1,892 | 1,903 | 1,957 |
| Arkansas..... | 2,644 | 2,541 | 3,096 | 2,467 | 2,501 | 2,318 | 2,304 | 2,493 | 2,889 |
| Louisiana..... | 4,329 | 4,082 | 4,686 | 4,321 | 4,103 | 3,917 | 4,083 | 4,176 | 4,286 |
| Washington..... | 12,852 | 11,786 | 15,122 | 11,131 | 9,757 | 6,975 | 11,684 | 7,912 | 12,456 |
| Oregon..... | 15,868 | 12,904 | 16,290 | 13,677 | 12,926 | 9,407 | 14,533 | 13,577 | 14,184 |
| New York..... | 2,215 | 1,587 | 2,354 | 1,432 | 1,311 | 1,338 | 1,143 | 1,360 | 1,401 |
| Vermont..... | 745 | 318 | 573 | 427 | 390 | 335 | 327 | 514 | 382 |

TABLE 3.—*Industry 241, logging camps and logging contractors, average weekly wages*

| State | 1947 | 1949 | 1951 | 1953 | | | | 1954, 1st quarter | Percent change 1st quarter 1953 to 1st quarter 1954 | Percent change 1947 to 1st quarter 1954 |
|--------------------------|---------|---------|---------|-------------|------------|------------|-------------|-------------------|---|---|
| | | | | 1st quarter | 2d quarter | 3d quarter | 4th quarter | | | |
| Total United States..... | \$42.32 | \$46.63 | \$55.73 | \$53.95 | \$64.17 | \$69.94 | \$61.31 | \$53.60 | -0.6 | +27 |
| Maine..... | 38.50 | 43.69 | 51.48 | 54.18 | 51.46 | 57.04 | 55.45 | 54.37 | +4 | +41 |
| New Hampshire..... | 32.38 | 36.28 | 48.86 | 51.83 | 51.44 | 60.01 | 61.76 | 48.19 | -7.0 | +49 |
| South Carolina..... | 22.22 | 22.61 | 27.91 | 29.18 | 33.09 | 33.78 | 33.80 | 30.43 | +4.5 | +37 |
| Georgia..... | 24.91 | 32.10 | 28.15 | 31.22 | 33.18 | 33.65 | 33.35 | 32.00 | +2.2 | +28 |
| Florida..... | 26.04 | 33.09 | 40.57 | 43.19 | 45.13 | 48.01 | 49.32 | 44.53 | +3.2 | +71 |
| Arkansas..... | 18.81 | 20.67 | 29.76 | 25.98 | 27.80 | 32.24 | 30.87 | 27.21 | +5.0 | +45 |
| Louisiana..... | 20.08 | 22.10 | 28.13 | 28.65 | 29.53 | 31.88 | 34.03 | 29.07 | +1.4 | +45 |
| Washington..... | 58.33 | 64.06 | 72.42 | 74.97 | 87.36 | 87.07 | 83.28 | 73.16 | -2.3 | +26 |
| Oregon..... | 61.79 | 67.56 | 78.42 | 79.75 | 89.66 | 96.26 | 83.72 | 79.16 | -7 | +28 |
| New York..... | 45.21 | 43.07 | 55.77 | 54.04 | 52.34 | 62.03 | 63.75 | 57.33 | +6.1 | +27 |
| Vermont..... | 37.82 | 37.49 | 43.76 | 37.71 | 44.57 | 50.72 | 44.48 | 39.49 | +4.7 | +4 |

Computed from UI data.

TABLE 4.—*Industry 241—Logging: Employment covered by State unemployment insurance laws, selected States*

| | New Eng- land | New York | New Eng- land and New York | Maine |
|-------------------|------------------|----------|----------------------------------|-------|
| 1953—January..... | 8,246 | 1,682 | 9,928 | 6,736 |
| February..... | 7,785 | 1,698 | 9,483 | 6,347 |
| March..... | 5,347 | 1,433 | 6,780 | 4,107 |
| April..... | 3,745 | 966 | 4,711 | 2,858 |
| May..... | 6,398 | 1,160 | 7,558 | 5,078 |
| June..... | 8,131 | 1,450 | 9,581 | 6,464 |
| July..... | 8,264 | 1,469 | 9,733 | 6,619 |
| August..... | 7,055 | 1,459 | 8,514 | 5,464 |
| September..... | 6,144 | 1,410 | 7,554 | 4,775 |
| October..... | 6,558 | 1,544 | 8,102 | 5,117 |
| November..... | 6,712 | 1,486 | 8,198 | 5,239 |
| December..... | 5,941 | 1,426 | 7,367 | 4,519 |
| 1954—January..... | 6,663 | 1,564 | 8,227 | 5,204 |
| February..... | 6,211 | 1,396 | 7,607 | 4,982 |
| March..... | 4,124 | 1,053 | 5,177 | 3,168 |
| April..... | 2,911 | 870 | 3,781 | 2,299 |
| May..... | 5,127 | 1,153 | 6,280 | 4,251 |
| June..... | 7,943 | 1,407 | 9,350 | 6,495 |
| July..... | 8,331 | 1,400 | 9,731 | 6,764 |
| August..... | 6,526 | 1,364 | 7,890 | 5,078 |
| September..... | 6,064 | 1,317 | 7,381 | 4,715 |
| October..... | 6,332 | 1,369 | 7,701 | 4,973 |
| November..... | 7,187 | 1,408 | 8,595 | 5,769 |
| December..... | 7,661 | 1,426 | 9,087 | 6,179 |

Use of Canadian woodsmen, Apr. 1, 1954, through Mar. 31, 1955

| | | | |
|----------------------|-------|----------------------|-------|
| Apr. 1..... | 728 | Oct. 1..... | 3,798 |
| Apr. 15..... | 510 | Oct. 15..... | 4,184 |
| May 1..... | 1,182 | Nov. 1..... | 4,664 |
| May 15..... | 3,588 | Nov. 15..... | 4,817 |
| June 1..... | 4,830 | Dec. 1..... | 4,968 |
| June 15..... | 5,095 | Dec. 15..... | 4,971 |
| July 1..... | 5,270 | Jan. 1..... | 4,924 |
| July 15..... | 4,512 | Jan. 15..... | 4,997 |
| Aug. 1..... | 3,895 | Feb. 1..... | 4,523 |
| Aug. 15..... | 3,415 | Feb. 15..... | 3,838 |
| Sept. 1..... | 3,870 | Mar. 1..... | 2,663 |
| Sept. 15..... | 3,823 | Mar. 15..... | 1,558 |
| Peak employment..... | 5,270 | Peak employment..... | 4,997 |

Senator GOLDWATER. We have two more witnesses, Mr. Arthur Motley, Assistant Director of the Employment Service—

Mr. MOTLEY. I think Mr. Goodwin testified regarding my part of it.

Senator GOLDWATER. I am sorry. I think we have also completed with Mr. Grogan.

I should have read your name during the other presentation. I apologize for the seeming neglect.

I understand that Mr. George Vess, who is from the State Department, occupying the Canadian desk, is with us.

Do you have anything you would like to say?

STATEMENT OF GEORGE S. VESS, CANADIAN DESK OFFICER,
DEPARTMENT OF STATE

Mr. VESS. No, sir; I have nothing.

Senator GOLDWATER. Senator Smith, do you have anything else to contribute?

Senator SMITH. I have none.

Senator GOLDWATER. We seem to have exhausted the possibilities of explorations into S. 98, which is your resolution. The committee will consider all of the evidence which has been produced. I do not know just when we can promise that that will be done, but it will be done as expeditiously as possible, with the thought that this is a problem and, if the Federal Government should get into it, we will recognize that.

I think that Senator Smith will join with me in realizing that there is some urgency this week wrapped up in the desire to get back where the cool breezes blow. But we will work on this so that both labor and management and the New England States can put their minds at ease over the problem that has been presented by this resolution.

The committee wants to thank all of the people who have testified and, particularly, do we want to thank Senator Smith for gracing this table with her presence.

Senator SMITH. I would like to say thank you and your committee for being so thorough in this matter. I think all groups must be very well satisfied with the response they have had from the committee.

Senator GOLDWATER. Where labor and management is concerned in this country, I think that all halls of legislature should be particularly thorough, because someday, somehow, we are going to get labor and management together without a lot of laws. I do not think that you can legislate between men and man's relations, and I hope to live to see the day when deliberations like this will lead to a thorough meshing of labor and management to the point that we have eternal peace within their ranks.

That will conclude the committee hearings.

(Thereupon, at 11:50 a. m., Monday, July 25, 1955, the subcommittee recessed, subject to the call of the Chair.)

APPENDIX

JACKMAN, MAINE, *July 21, 1955.*

Senator MARGARET CHASE SMITH,
Committee on Labor, Washington, D. C.:

From Roland P. Lange, Parting Pond Inn, The Forks, Maine, representing Northern Maine Citizens Committee on Foreign Labor: We protest the importation of Canadian labor and equipment as being injurious the best interests of our State and ruinously competitive with decent income standards. We are in full support of Senator Smith's Senate Resolution 98, May 2, 1955, and hope that funds will be granted for a full investigation particularly covering the third part of that resolution. We understand that association of high governmental officials with pulp and paper interests makes availability of funds difficult. However, this committee should investigate the status of visa entrants as woods laborers also.

The income-tax mismanagement concerning both bonded labor and visa entrants as the net effect is to depress domestic wages and as such is in the province of this committee. The committee should investigate the methods of determining prevailing wage rates in lumbering, a system which exists as an offered wage rather than a prevailing rate. The committee should compare comparative wage-rate statistics with other parts of the country on an hourly pay-rate basis rather than weekly pay. The committee should investigate the employment of foreign woods workers on a productions basis rather than an hourly basis. We maintain that the only fair basis for hiring foreign labor is on an hourly basis since there are no standard working conditions in our forests. We would like the letter of Mr. Lange to Senator Smith, April 25, 1955, to be included in the record of this hearing.

ROLAND P. LANGE, *Secretary.*

THE FORKS, MAINE, *April 25, 1955.*

Senator MARGARET CHASE SMITH,
United States Senate Office Building,
Washington, D. C.

DEAR MRS. SMITH: Mr. Joseph Pooler, of Bingham, has shown me a report received through you from the Director of the Bureau of Labor Security, Mr. Robert Goodwin. Along with Mr. Pooler and a number of others in this area I am interested in the imported labor problem.

The report brings to light some interesting figures, however more information is necessary. We are interested in a comparison of hourly pay rates, broken down into job categories, as much as possible. This comparison should be made covering the individual New England States, using bonded labor and other lumber producing States where domestic labor is used (chopper, teamster, trucker, bulldozer operator, crane operator). Table 3 of the report shows average weekly wages in logging camps for selected States. Maine pay rates would seem to be about average for 1953 at \$55 per week; however since most Maine camps work 6 days, 54 hours per week, the average hourly rate appears to be 78 cents per hour as against \$2 per hour as shown in table 1 for 1953 as the national average. Table 3 clearly shows that even in the South where rates are the (lowest?) the average workweek does not exceed 40 hours.

The Bureau of Employment Security as a branch of the Department of Labor has assumed responsibility for supervision of bonded foreign labor, to protect the interests of domestic labor. In this State in the lumbering industry the Bureau functions as a wage-fixing body by establishing the prevailing rate. There is no formula used to determine this rate and at present it is simply the pay rate offered by an employers group. Records indicate that actual rates paid throughout the year average considerably more than the prevailing rates yet this is not the basis of the new rate.

The question of supervision of withholding taxes on bonded labor has been brought to the attention of our commission but that body has not seen fit to make any recommendations. Prior to this the same question was asked of our local Internal Revenue collectors in Augusta. Copies of these letters are enclosed. We have received no acknowledgment of these inquiries. In order to determine the effect of imported equipment on our lumbering industry we have made an inquiry to our local collector of customs. We were informed that due to staff shortages the statistics were not available.

In behalf of our group I would appreciate reference to the proper agency which would provide the information requested in the enclosed copies. I am also enclosing a copy of a report which clarifies to some extent the conditions and grievances of our group as we understand the situation.

Very truly yours,

ROLAND P. LANGE.

(The following is testimony taken by the Subcommittee on Labor at its hearings on July 26 and 27 on the nomination of Newell Brown, to be Administrator, Wage and Hour Division, Department of Labor, and is reprinted herein to complete the record on the importation of Canadian bonded labor.)

UNITED STATES SENATE,
 SUBCOMMITTEE ON LABOR OF THE
 COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D. C., Tuesday July 26, 1955.

The subcommittee met pursuant to call at 10 a. m. in room P-63, United States Capitol, Senator Paul H. Douglas (chairman), presiding.

Present: Members of the subcommittee, Senators Douglas (chairman), Neely, Smith, and Goldwater.

Present: Members of the committee, Senators Lehman, Purtell, and Allott.

Also present: Stewart E. McClure, staff director; Roy E. James, minority staff director; John S. Forsythe, general counsel; Frank V. Cantwell and Michael J. Bernstein, professional staff members; and Grover C. Smith, chief clerk.

* * * * *

STATEMENT OF NEWELL BROWN, DIRECTOR, DIVISION OF EMPLOYMENT SECURITY FOR THE STATE OF NEW HAMPSHIRE, CANDIDATE FOR THE POST OF ADMINISTRATOR OF THE WAGE AND HOUR AND PUBLIC CONTRACTS DIVISION OF THE UNITED STATES DEPARTMENT OF LABOR

* * * * *

Senator DOUGLAS. Mr. Brown, as you probably know, we have been holding hearings for 3 days on the question of the importation of Canadian labor as woodsmen for the logging and lumbering industry in New Hampshire and Maine. I was not able to be at the hearing of that matter yesterday because I had another hearing over which I had to preside. But on Thursday and Friday of last week testimony was presented by union representatives charging that both in Maine and New Hampshire permits had been granted for the importation of Canadian bonded labor to work in the woods of New Hampshire and

Maine at wage scales below the prevailing rates for native labor, and that if the wage scale—these gentlemen charged—were fixed at a higher point, it would have been possible to have obtained native woodsmen. I wrote you saying that this was coming up and giving you your choice to testify at the hearing yesterday or the hearing today, and I think you quite properly indicated that you would prefer to do it today, and I wondered what statement you wanted to make in reply to that charge.

Mr. BROWN. Mr. Chairman, I have a very brief statement here on that point, which I have made brief due to the fact that there already have been 3 days of testimony here which has cleared up the air, and I would like to make that statement, and then, if agreeable to the committee, to answer any specific questions that seem to be outstanding.

I have had an opportunity to review all the transcribed testimony on Senate Resolution 98, although not the material admitted for the record and not transcribed. There are perhaps one dozen errors in the testimony of labor representatives that were not specifically corrected in later testimony so far as I know, but only one seems to me to be of sufficient moment to warrant mention now.

I refer to the allegation that the piece rate on pulp wood cutting dropped from \$7.50 a cord to \$6 a cord, over the past 3 years, I believe it was. I can find nothing in the figures I have to substantiate such an allegation. There have been some decreases between 6 month bonding periods but the overall trend has generally been upwards within the last 4 years, so far as the New Hampshire wage rate findings are concerned.

Senator DOUGLAS. Are you speaking of cord rates?

Mr. BROWN. Cord rates, yes, which we identify. We don't set them, we identify them.

Other than this the errors are not of major consequence in my view and I will not therefore take the committee's time to review them unless requested.

For the rest it seems to me that a fairly clear picture emerges from the testimony and I will confine myself to a very brief review of my part in the business.

As Director of the Employment Security Division in New Hampshire I have three functions to perform on behalf of and with responsibility to the Bureau of Employment Security of the Department of Labor, which in turn is responsible to the Attorney General for the final program. First, I am responsible for finding whether or not domestic labor is available in a given instance where a request for import is entered. Second, finding or identifying what wage rates are not substantially less favorable than those prevailing for domestic labor in the same occupations in the particular area. Third, the fact-finding and reporting to those responsible in connection with any complaints that are made to me as to miscarriage of the intent of the law or the procedures.

In all three categories my agency has taken the initiative in effecting important improvements in the past 2 years. Up until 2 years ago it had just run along and I had not devoted my particular attention to this aspect of my job. At that point I got interested and as a result of that we ran a pilot study in the Berlin office and, as I say, in all three of these facets we made some improvements, which I think are admitted by anybody who knows the story. Those changes and im-

provements tried out in New Hampshire in regard to checking available labor supply have now been adopted by the neighboring States of Maine and Vermont. As to the other two facets I don't know exactly what their procedures are. I would be glad to give this committee the details of what has been done, how we go about it, but I believe the ground was well covered yesterday.

In any case the New Hampshire methods and findings in this respect have never been criticized or amended by those to whom we are responsible and there I refer to the Bureau of Employment Security and the Department of Labor. Our procedures appear to conform with the letter of the law as it stands as nearly as seems possible to us under existing circumstances at this time, and they seem to be producing reasonable results so far as the spirit and intent of the law is concerned. However, I am not claiming perfection in any of these respects, simply a sincere and what appears to be a generally successful effort at this time to approach perfection. On the subject of improvements we welcomed suggestions for improvement in the past and we will certainly welcome them in the future. And I might say that if this resolution does not pass I hope that the reaction and certainly this will not be the case in New Hampshire if I am still there, will not be to feel that we have been entirely exonerated and there is nothing further to do. There is considerably more to be done.

And now I would be glad to answer any questions.

Senator DOUGLAS. As I say I was not present at the hearing on Canadian-bonded labor yesterday and know nothing about the representations which you say were made as to the cord rates. I believe you said they represented that the rates were cut from \$7.50 a cord to \$6 a cord and on that point, as I understand it, they allege that your office had approved these lower rates at which rate native labor would not work. Now, do I understand you to say that is not so?

Mr. BROWN. I can find nothing in the figures that I have to support that. Perhaps I might explain what we do and I have here a compilation of figures going back to 1951 which the committee might like to look at. My job, as I indicated, is identifying and finding rather than setting rates. I would say in the first instance that if in fact the cord rate had dropped in our identification process from \$7.50 to \$6 in the period mentioned, that would not be a reflection in my part of the picture. I am not there to pass judgment on whether the rate is good, bad or indifferent or what causes an increase or decrease in rates. My business is simply to identify what rates prevail. Now, the method that we use in identifying these prevailing rates is this:

We get from employers, most employers of woods workers, during a 6 months period, a listing on a monthly and semiannual basis of the wages they are actually paying their workers, both Canadian and American. At the end of those 6-month periods we get those figures together and see how many workers in a given category are paid a certain wage. We get a spread. It may be a large one; it may be a small one; it may be insignificant. We get that spread. We knock off the exceptional rates, top and bottom, and what remains constitutes the rate range that we identify.

Now, if during a given period wages have gone up, that historical identification process is going to produce a higher range. If for any reason during that preceding 6 months period there has been depressed conditions in the woods, then we come out in the lower finding. We

are fact finding rather than anyone making an arbitrary or discretionary determination.

Senator DOUGLAS. As I understand it, while the trade in general is unionized and while some of the jobs in the woods are unionized, the cutting and sawing jobs are not unionized, is that correct?

Mr. BROWN. That is my understanding.

Senator ALLOTT. Might I inquire what the Senator said?

Senator DOUGLAS. I asked Mr. Brown if my understanding was correct that while the pulp men were unionized and certain of the more skilled jobs or the more mechanical jobs of the woodsmen were unionized, that the cutting and sawing jobs were not unionized, and as I heard him reply, it was that my understanding was correct.

Mr. BROWN. That is correct to my knowledge.

Senator DOUGLAS. Now then, how do you fix rates for cutting and sawing? You say you find a rate. How do you find a rate for cutting and sawing?

Mr. BROWN. Well, in accordance with the methods I just outlined, say we have 20 jobbers or 20 employers of woodsmen during a given 6 months period. Each of them sends us a report of what he paid to those on his payroll for work during that period. From that historical information we determine how much was paid to certain numbers of workers. Let us say, for the sake of argument, that we find an employer of 2 choppers paid \$6, an employer of 10 choppers paid \$6.50, an employer of 100 choppers paid \$7, an employer of 10 choppers paid \$7.50, and an employer of 2 choppers paid \$8. We knock off the \$8 and the \$6 and we would call the prevailing rate \$6.50 to \$7.50. We knock off the extremes, in other words, and the balance constitutes the finding as to the prevailing rate.

Senator DOUGLAS. You say what you do is to take actual rates. When the applications come in to you from the employers for the importation of workers, do they state on that application the wage rate which they intend to pay?

Mr. BROWN. Yes, sir, they do, and they are, under our new procedures, required to come to our local office and consult with our local office manager. He takes their order and among the things that he checks it for is the range. The range has already been determined; he has that on the other side of his desk. If an employer proposed to pay less for a given skill than we have already established as being within the prevailing bracket then we will not accept the order until he raises it.

Senator DOUGLAS. Is that a practice that has gone on for some time or is it a recent practice?

Mr. BROWN. That practice has been standard for years.

Senator DOUGLAS. Suppose you find a range between \$6.50 and \$7.50 and then the employer comes in and says he will pay \$6.50. Would you accept the \$6.50 wage?

Mr. BROWN. Yes, sir, we would.

Senator DOUGLAS. So that you could get a downward movement through the employer naming the rate which he intended to pay, the lowest rate of which has been paid for the major groups of workers?

Mr. BROWN. That's correct; that is possible.

Senator DOUGLAS. And then if you approve of it, of course you turn it over to the Immigration Service and they consult the State Federation of Labor?

Mr. BROWN. We consult them directly on the local level.

Senator DOUGLAS. I see. And then you make your decision as to whether or not you approve, and then you pass it to the Immigration Service?

Mr. BROWN. Yes, sir. I may add to that that such an employer must come to us a full two weeks before he intends to import to give us that period of time to locate labor for him.

Senator DOUGLAS. As a matter of fact, isn't it true that the Brown Co. is virtually the recruiting agent both for itself and its jobbers in Canada?

Mr. BROWN. I have no personal knowledge of that. That was the statement of the Brown Company representative.

Senator DOUGLAS. Yes, they virtually stated that, that they recruited not only for themselves but for their own jobbers.

Mr. BROWN. As I understand, Mr. Herr testified on that.

Senator DOUGLAS. I noticed that your name is Brown. Are you connected with the Brown Co. at all?

Mr. BROWN. Yes, sir. My father was 1 of 4 brothers that ran it up to about 1934. He has retired since.

Senator DOUGLAS. Do you have any present connection with the company?

Mr. BROWN. None whatsoever.

Senator DOUGLAS. Do you own stock in the company?

Mr. BROWN. I own 12 shares of \$14 stock, sir. I don't know where I got it.

Senator DOUGLAS. There was a letter in the record the first day of the hearings, which I have asked for but which doesn't seem to be here, on the basis of which it was alleged that you fixed the rate in order to attract at least some American labor, the implication being that it was a rate scale which would not get a labor force composed entirely of American labor but, would result in a dilution of imported and American labor. It was a letter by Mr. Philip Smyth. Are you acquainted with that letter?

Mr. BROWN. I have a copy of it here. I am acquainted with it.

Senator ALLOTT. Could we see a copy of that for the benefit of the record?

Senator DOUGLAS. I have asked for it and it was submitted for the record. I am trying to get it identified. Apparently a copy of it was admitted and sent to the transcriber. Do you have a copy?

Mr. BROWN. I think I do, sir. Just a second. It may take me a moment. I would concede the point.

Yes, I have it here, I think, sir, a letter of Mr. Philip Smyth dated January 28. In the second paragraph, the first two sentences, I say that Maine handles the wage-rate certification on about the same basis that we do. Specifically, the bottom rate which they quote on any job is a rate which is high enough to get at least some American labor.

(The letter referred to follows:)

DIVISION OF EMPLOYMENT SECURITY,
Concord, N. H., January 28, 1954.

MR. PHILIP SMYTH,
Berlin, N. H.

DEAR BABE: Mrs. Wilder and I discussed the questions you raised with Mr. Arthur Gernes, regional director of the Bureau of Employment Security and the next man up the line from us so far as our Federal connections are concerned, Wednesday.

He tells us that Maine handles its wage rate certification on about the same basis that we do. Specifically, the bottom rate they quote on any job is a rate which is high enough to get at least some American labor. He shares with me extreme reluctance to get in any kind of a wage setting deal, but both of us feel that the present system isn't entirely satisfactory for some of the reasons you outlined. If some sort of a wage setting board could be set up by area or for the whole border country, a big step toward getting the matter straightened out would be taken. I suppose, however, that no such board could come into existence until labor in this field was organized and strong enough to demand from management the setting up of such a board. I take it from the Berlin Reporter's story that you are already taking steps to do some substantial organizing in that field.

In regard to the switch at Sturtevant Pond from a cord rate to an hourly rate, as I told you we have no jurisdiction since it is located in Maine. However, I am informed that this is not an unusual practice, that is, a jobber putting men on a cord rate through the thin stuff and holding a carrot in front of them in the form of a better "chance." Then, when they get to the good cutting, he switches over to an hourly rate.

You said that you intended to discuss this situation with the Brown Co. at an early date and would let me know how they explained the change. I should be very interested to know what they have to say about it.

The matter of bonded Canadians being switched from one job to another after they get to this side is primarily a matter of policing, as I think you agree. So far as I know, none of the agencies interested in the problem presently have the staff necessary to do a real policing job. About all we can do is take prompt and strict action when we learn about a violation. This we will continue to do to the extent we are able and also to the extent immigration cooperates. In a recent case, immigration chose to believe the employer's story and thereby knock the props out from under what we thought was a good solid violation case.

As to the annual meeting of woods employers which we mentioned I am informed that it does not deal with wage rates. Its primary concern is with overall and particular quotas of bonded men to be authorized in the coming year.

I am glad you stopped by and I think we think alike about a good many of the problems. But my hands are tied in regard to effecting cures in most instances. I do say this, however, blasting the division and individuals in it in the press, unless it is manifest they are delinquent in their duties and are not properly performing within the limitation placed upon them, isn't likely to speed solution. I think we can get further by sitting down and talking over the problem between ourselves. I will agree that there are occasions when public servants are doing less than they should, or not doing things properly and need prodding. I don't think in this instance, however, that that sort of prodding is going to do anything but make a lot of people unhappy.

Please keep in touch with developments and I shall certainly do everything I can to give you a hand.

Sincerely yours,

NEWELL BROWN.

Senator DOUGLAS. I guess that is the sense of it. Now, the implication is that it is a rate which is high enough to get some American labor but not high enough to get all American labor, and the complaint of the union is that if the rate were higher you could get sufficient native woodsmen from the North Woods?

Mr. BROWN. Well, my comment is, Mr. Chairman, that I don't think that my directive is to find a rate which is high enough to get American woodsmen, but my directive is to get a rate not substantially less favorable to the individual than that prevailing for domestics in the area.

Senator DOUGLAS. There is also a provision, a Federal provision which delegated to the Attorney General the authority that you should only through the State departments of labor import bonded labor if there is not sufficient domestic labor available; and of course the question of whether or not there is sufficient domestic labor available depends in large part on the wage rate offered, that is, there would be more labor available at \$7.50 than at \$6.

What have you found about the amount of domestic labor available for the woods in New Hampshire itself?

Mr. BROWN. We have found that historically there has not been and there is not today sufficient American labor available for woods work at the price they are being paid.

Senator DOUGLAS. You have your own employment offices, your State department employment offices?

Mr. BROWN. I do; yes, sir.

Senator DOUGLAS. And do they report woodsmen seeking work there?

Mr. BROWN. They do, sir.

Senator DOUGLAS. Well, what labor can they utilize?

Mr. BROWN. They utilize all available labor except out of season, sir. I had an opportunity to check the active files, that is, of individuals who were seeking work as of June 15. There were six woodsmen listed as being active applicants for work.

Senator DOUGLAS. And not having work at the moment?

Mr. BROWN. So far as we know, but we don't know, because the figures do not mean there are six unemployed woodsmen. One of them may be over age, several of them may be only interested in daywork to a place where they can commute and there may be no job available in that particular area; some may have decided to go fishing or go down in Boston for a ball game.

Senator DOUGLAS. So you say there are only six woodsmen seeking work in your employment offices?

Mr. BROWN. As of June 15.

Senator DOUGLAS. How many woodsmen were there in other public employment offices during the same period; do you know?

Mr. BROWN. None to my knowledge. Berlin is our only office that is considerably concerned with this problem. Occasionally over on the Connecticut River we have some jobbers over there, but it is not a matter that is in real issue here, I don't think.

Senator DOUGLAS. Did you have quite a number of unemployed workers in southern New Hampshire last year?

Mr. BROWN. We did have.

Senator GOLDWATER. I asked some questions, Mr. Chairman, concerning the matter of Canadian and American workers in New Hampshire, when you were detained yesterday, and the testimony that was elicited might fit in here. I asked Mr. Gernes who came with Robert C. Goodwin, director of the Bureau of Employment Security, Department of Labor, some questions and in answer to a question that I asked in trying to arrive at what relationship existed between the number of Canadian workers and the total workers, Mr. Gernes told me that as of June, at the end of June of this year, there were 450 Canadians working in the woods in New Hampshire.

Mr. BROWN. That is correct.

Senator GOLDWATER. Which compares to 5,528 in the State of Maine, 321 in Vermont, and 143 in New York.

I just wanted to offer that, Mr. Chairman, because it seemed the question came up at the moment.

Senator DOUGLAS. Would you find that the unemployed worker of southern New Hampshire was competent and willing to move into the woods of northern New Hampshire?

Mr. BROWN. No, sir. I might add to that, as I recollect the testimony of the labor representatives, they are agreed that the unemployed in New Hampshire are primarily manufacturing employees, textile employees and shoe workers, which for years has been their way of life, and they are simply not interested in going to the north woods to work.

Senator DOUGLAS. But some of them come from the north woods?

Mr. BROWN. Many of them came down the river valleys, of course. But actually a year or two ago extensive recruitment efforts were made, that is, active recruitment as opposed to just notifying the offices on it, and we were markedly unsuccessful.

Senator DOUGLAS. I think I have taken all the time I should on this.

Senator SMITH, do you have any questions?

Senator SMITH. I gather from what you told us this morning that the question of fixing rates is based on procedures which have been in effect for a long time, and your predecessor as well as yourself have used those, is that correct?

Mr. BROWN. No, that is not correct, sir. Prior to 2 years ago our findings as to these rates were based on what the employer submitted on his order blanks. We simply took the order blanks for the coming season and found on the basis of what the employer wanted to pay. It struck me that that permitted employer collusion toward reducing the rate. I conceived of the idea of getting the historic figure, a figure based on what actually had been paid, subject to modification if compelling reason could be shown by either party why it should not apply to the coming period, so that my present method of wage finding is at variance with what happened prior to that time.

Senator SMITH. Would you base that on factual material that you got and on a study of wages in the area?

Mr. BROWN. Yes, sir.

Senator SMITH. You have no power other than to just arbitrarily fix the applicable rate. Does this affect whether you can bring the Canadians over?

Mr. BROWN. No, I am simply factfinding, and this is my best method of finding the facts, although it may be subject to interpretation.

Senator DOUGLAS. Senator Neely?

Senator NEELY. No questions.

Senator DOUGLAS. Senator Goldwater.

Senator GOLDWATER. Mr. Brown, you are acquainted with the law, I am sure, Public Law 414, section 214 (c). I would like to read this into the record at this time because I think it is pretty important to the whole hearing. It is on the question of importation.

The question of importing any alien as a nonimmigrant under section 101 (a) (15) (H) in any specific case or specific cases shall be determined by the Attorney General, after consultation with appropriate agencies of the Government, upon petition of the importing employer. Such petition shall be made and approved before the visa is granted. The petition shall be in such form and contain such information as the Attorney General shall prescribe. The approval of such a petition shall not, of itself, be construed as establishing that the alien is a nonimmigrant.

I read that because I want to ask you a question that would be covered by that. All of the actions that go into allowing an alien to come in from Canada to work in the woods is covered either by law or by regulation, is that correct?

Mr. BROWN. To the best of my knowledge, they are covered by regulations and the law. However, I think they can be implemented by detailed polices which are what we at the end of the fingers, so to speak, work on, rather than the basic law.

Senator GOLDWATER. Now, the determination of the rate is the duty that is ascribed to you by the regulation, is that correct?

Mr. BROWN. I would rather use the word "factfinding"; I find the rates.

Senator GOLDWATER. You gather the facts concerning the prevailing wage?

Mr. BROWN. Yes.

Senator GOLDWATER. And submit those facts to the Employment Security Division?

Mr. BROWN. No, my findings go to the Bureau, the regional office of the Bureau of Employment Security. We use them when they are accepted. We use these in consulting with employers but approval or disapproval or amendment of them would come from the Labor Department's Bureau of Employment Security.

Senator GOLDWATER. So you don't have the final determination of what the prevailing rate shall be?

Mr. BROWN. No. The Attorney General is finally responsible. As a practical matter he accepts the Labor Department's findings.

Senator GOLDWATER. And, as stated, New Hampshire has no minimum-wage law; these workers come under the Federal minimum-wage law?

Mr. BROWN. Those who are employed in camps of 12 or over; yes, sir. New Hampshire has no minimum-wage law applied to them in any case.

Senator GOLDWATER. Now, Mr. Brown, in determining the prevailing rates of wages in the area, do the union rates prevail in this determination?

Mr. BROWN. No, sir; I can think of no category where they are prevailing. They are, however, sufficiently significant in certain categories so that they constitute part of the finding, part of the finding that we make. Very frequently the union scale constitutes the top end of the range.

Senator GOLDWATER. Now, the other day at the hearings here the remark was made and testimony was given to the effect that these workers were not paid overtime for work over a 40-hour week. Is it not true that the regulation requires that overtime be paid?

Mr. BROWN. To the best of my knowledge, yes. That, however, is not a responsibility of my agency in this program other than to report any evidence that comes to our attention that there is a violation. As you know, however, the 40 hours is not uniformly applicable to the woods. I believe river driving operations and several other operations are specifically seasonal, and I believe a 54 hour limit exists. I am not sure of those figures but I know there are some exceptions.

Senator GOLDWATER. The remark was made in testimony the other day that such was the case and I asked a question yesterday of Mr. Page who was one of the witness for the Immigration and Naturalization Service, and I asked the question of Mr. Dyer of the regional office of the Immigration and Naturalization Service, and the question

was whether or not they received complaints from these Canadian workers concerning the nonpayment of overtime. I asked specifically:

If you had complaints that a Canadian worker was not paid overtime for work over a 40-hour week, would you look into that?

The answer was:

This would be within our province. All specific complaints, sir, are investigated.

I asked:

Have you had occasion to investigate any complaints such as those?

Mr. Rawitz asked Mr. Dyer to answer that.

Now, during the course of the answering, I want to bring out the fact that Mr. Page said:

If I were to make an estimate and it would be purely an estimate from the past, those complaints might average only 6 a year or something along that line; a very small number.

That six doesn't apply to New Hampshire, does it?

Mr. BROWN. I have no figure. I would say in New Hampshire we get approximately six a year.

Senator GOLDWATER. I think this man was speaking from the Regional Office. Mr. Rawitz is chief special inquiry officer. Is that the regional office?

Mr. BROWN. I believe so; I am not certain of that.

Senator GOLDWATER. Now, Mr. Brown, it has been suggested here time and again during the last 3 days that you are the sole reason for whatever difficulties the unions might have, that they are between you and the prevailing wages, or you and the fact that no all of those people are members of the unions up there. Is it not true that the law and regulations that apply to recruitment of labor controls what you do. You quoted part of that law but I want to quote the whole part of it. I will quote part 604 (1), Policies of the United States Employment Service, paragraph K. It says part of your duties or the duties of the employment service is—

To recruit no workers for employment if the wages, hours, and other conditions of work offered are substantially less favorable to the individual than those prevailing for similar work in the locality.

And that, you indicated, was your doctrine and you followed it?

Mr. BROWN. Yes, to the best of my ability.

Senator GOLDWATER. You are bound by regulation to the United States Government to do that, are you not?

Mr. BROWN. The United States Employment Service, yes, sir.

Senator GOLDWATER. So even if you wanted to set up what some might call a low prevailing wage you would be prevented from doing it and if you attempted to do it you would without doubt be caught either by the unions or by the Federal service, is that correct?

Mr. BROWN. That is correct, the Federal service would be the one, and a union complaint would presumably start the ball rolling.

Senator GOLDWATER. I asked a question yesterday during the course of testimony if the unions were notified of the vacancies that existed in the woods, and I was told, if I remember correctly, that they are not notified by the State officers any longer as a required policy, but they are notified by the regional officers. Do you notify the unions when you know there are vacancies existing in the woods?

Mr. BROWN. Yes, sir, we do in New Hampshire. I think it may vary in other States. I have here a memorandum of October 6th, 1954, to all local office managers, the subject of which is consultation with labor organizations before processing importation employees under Public Law 414, which was followed by supplements on February 1st, 1955 and again on March 2, 1955, and I mention this merely to show that we keep after that and each local office has the job of letting local labor people know when jobs are open on a continual basis, asking if they have men and we also ask the local labor people to refer anybody they hear about to our officers so we can have the application on file for use as openings develop.

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Senator PURTELL. Following up what Senator Goldwater asked you, Mr. Brown, do I understand that the United States Department of Labor rather than your agencies is responsible to the Attorney General in the matter that we were talking about, that the Department officials could if they wished overrule or modify anything you did?

Mr. BROWN. That's correct, sir.

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Senator ALLOTT. Referring to your testimony with respect to the findings as differentiated or as it differs from the findings as to wages, the distinguished chairman of this committee brought out that that might immediately result in some down-movement or depressing effect upon wages. It could also result in an up-movement, could it not, by the same token?

Mr. BROWN. It could, sir.

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Senator DOUGLAS. The next witness is Mr. Cruikshank, representing the American Federation of Labor, accompanied by Mr. Andrew J. Biemiller and Mr. Walter Mason, members of the national legislative committee, American Federation of Labor.

STATEMENT BY NELSON CRUIKSHANK, DIRECTOR, SOCIAL INSURANCE ACTIVITIES, AMERICAN FEDERATION OF LABOR, ACCOMPANIED BY ANDREW J. BIEMILLER AND WALTER MASON, MEMBERS OF THE NATIONAL LEGISLATIVE COMMITTEE, AFL

Mr. CRUIKSHANK. Mr. Chairman and members of the committee, my name is Nelson H. Cruikshank and I am director of social insurance activities of the American Federation of Labor, having my offices at the AFL Building, 901 Massachusetts Avenue, N.W., Washington, D. C.

I am accompanied by my colleagues, Mr. Andrew J. Biemiller and Mr. Walter Mason, members of the legislative committee.

We appreciate the opportunity that you have afforded us to present the views of the American Federation of Labor with respect to the matter before you, the nomination of Mr. Newell Brown of New Hampshire as Administrator of the Wage and Hour and Public Contracts Divisions of the United States Department of Labor.

First, with your permission, I should like to read into the record at this time the letter from Mr. George Meany, president of the Amer-

ican Federation of Labor, addressed to Hon. James Mitchell, Secretary of Labor, under date of March 28.

Although we can attach a copy for the record, I would prefer reading this letter into the record if I may.

Senator DOUGLAS. If you prefer it.

Mr. CRUIKSHANK. Thank you. The letter from Mr. Meany to the Secretary of Labor reads.

(And Mr. Cruikshank read the letter dated March 28, 1955, from George Meany, President, American Federation of Labor to Hon. James P. Mitchell, Secretary of Labor, United States Department of Labor, Washington 25, D. C., into the record, as follows:)

DEAR MR. SECRETARY: The American Federation of Labor is deeply interested in the effective administration of the laws designed to raise wage standards of American workers. In this connection, we feel strongly that those appointed to positions carrying responsibility for administering these laws should be persons who are qualified by experience and training in the field, and who also have demonstrated a sympathetic understanding of the social purposes such laws were designed to accomplish.

It is my considered opinion that the nomination of Mr. Newell Brown, presently director of the Division of Employment Security, State of New Hampshire, for the post of Administrator of the Wage and Hour and Public Contracts Divisions within the United States Department of Labor, is not consistent with these principles. Nothing in Mr. Brown's background or experience, in my view, qualifies him for a post of responsibility in administering laws designed for the protection of working people.

I submit that Mr. Brown's activities as an officer of the Interstate Conference of Employment Security Agencies constitute evidence of his lack of fitness for the responsibilities of Administrator of the Wage and Hour and Public Contracts Divisions in your Department.

We have repeatedly presented to you, Mr. Secretary, the basis of our complaint against the Interstate Conference of Employment Security Agencies. We have held that while there is a thoroughly legitimate place for a professional organization of State administrators charged with responsibility of administering State employment security programs, we do not feel that it is appropriate for this organization as such to engage in lobbying activities with Members of Congress. We particularly feel that it is highly inappropriate that the travel, salary, and subsistence expenses of State officers, while engaged in such lobbying activities, should be paid out of grants of Federal funds administered by your Department. On occasion you, yourself, have expressed concern with this problem.

At its meeting last November, your tripartite Federal Advisory Council, after several hours' thorough discussion of the questionable activities of this organization, with only 2 of the 27 members present dissenting, voted that your Department should examine the activities—particularly the legislative or lobbying activities—of the interstate conference. In the course of this discussion, the activities of Mr. Brown, who was the chairman of the legislative committee of the interstate conference during the preceding year, were specifically referred to. More than 3 months have passed since this examination was asked for by your Advisory Council. Representatives of the American Federation of Labor, inquiring as to the progress of this examination, have on numerous recent occasions been told that it is still in process. Despite the fact that the organization with which Mr. Brown has been so actively identified is currently under investigation by your Department, we see him now nominated for a position of great responsibility within the Department of Labor.

Mr. Brown's activities as chairman of the legislative committee of the interstate conference, by his own account, identify him with the interests of reactionary employer groups with respect to certain labor legislation. You will recall that during the 83d Congress, the American Federation of Labor was in general agreement with the proposals advanced by your Department and the administration in the field of unemployment compensation legislation. We supported certain provisions of the Reed bill (H. R. 5173) which you supported, and opposed others. Your Department and the American Federation of Labor were in agreement with the Under Secretary of the Treasury regarding certain provisions relating to basic principles of Government administration having to do with the

distribution of administrative funds and our representatives, appearing before committees of both the House and Senate, incorporated the record of these areas of agreement in their statements. Not so Mr. Brown. In a memorandum dated March 16, 1954, addressed to all State administrators in his capacity as chairman of the legislative committee of the Interstate Conference of Employment Security Agencies, Mr. Brown reported on the progress of the hearings on the Reed bill (H. R. 5173) before the Senate Finance Committee, listing the representatives of the Interstate Conference, including himself with the representatives of a number of employer organizations in opposition to the positions taken with respect to this measure, not only by representatives of organized labor, but by the Assistant Secretary of Labor, Mr. Rocco Siciliano.

In addition, we have been concerned with the manner in which Mr. Brown has exercised the authority of his present position. One of his responsibilities has been to certify when no American workers are available to fill positions in the New Hampshire woods at prevailing rates of pay. This certification is required before the Immigration and Naturalization Service can authorize a logging company to import Canadian workers.

We have had a number of complaints from officials of our affiliated organizations in New Hampshire to the effect that Mr. Brown has exercised this authority in a manner that tended to depress wages for this work in the area. This contention seems to be supported by the fact that according to United States Department of Labor statistics wages for workers in New Hampshire logging camps have declined 7 to 8 percent during the past year, the sharpest drop of any State and contrary to the trends that prevail in practically all other States where substantial logging operations are carried on. We question whether such a drop in wages would have occurred unless the activities of Mr. Brown had operated to bring in an excessive number of Canadian workers and thus depress the level of prevailing wages. We are concerned that this point of view, if carried over to Federal operations under the Fair Labor Standards Act and the Walsh-Healey Act, would have serious adverse effects on wage standards of American workers and competitive conditions in American industry.

I am sending a copy of this letter to each member of the Senate Committee on Labor and Public Welfare, to which Mr. Brown's nomination has been referred, in the belief that as the members of this committee examine Mr. Brown's background and record, they will conclude that he does not possess the qualifications required of the responsible position of Administrator of the Wage and Hour and Public Contracts Divisions of your Department, and that his nomination for this post was ill-advised.

Sincerely yours,

GEORGE MEANY,
President, American Federation of Labor.

* * * * *

Mr. CRUIKSHANK. For example, as President Meany points out in his letter to Secretary Mitchell, one of the responsibilities of the nominee in his present position is to make the findings on which to certify to the Immigration and Naturalization Service when no American workers are available to fill positions in the New Hampshire woods at prevailing rates of pay. The prevailing rate of pay provision is the very heart of this determination: presumably there would always be a shortage of such workers at 50 cents an hour, just as there would presumably be an excess of applications for jobs at \$3 or \$4 an hour. The oversupply or undersupply of workers in any such situation is therefore obviously meaningless, except as it applies to a given wage rate. You can readily see, of course, also, that the formula tends to work in reverse. If the certifications for the importation of foreign workers is based on a lower wage rate the additional workers brought in at that level tend to push the rate downward. Representatives of our unions whose members are employed in these and related activities charge that Mr. Brown has indeed exercised his authority in a manner to do precisely that.

The record of actual wages paid in the 9 States in which significant logging activities are carried out would seem to bear out this conten-

tion. Here is the record of changes in earnings of loggers in these States from the first quarter of 1954, and from the second quarter of 1953 to the corresponding quarter of 1954, as shown by data of the United States Department of Labor.

The change from 1953 to 1954 is reflected in the following table:

| | 1st quarter | 2d quarter | | 1st quarter | 2d quarter |
|---------------------|----------------|----------------|--------------------|----------------|----------------|
| | <i>Percent</i> | <i>Percent</i> | | <i>Percent</i> | <i>Percent</i> |
| Arkansas..... | +5.0 | -4.1 | Maine..... | +0.4 | -3.6 |
| South Carolina..... | +4.5 | -5.0 | Oregon..... | -.7 | +1.7 |
| Florida..... | +3.2 | +1.5 | Washington..... | -2.3 | -1.7 |
| Georgia..... | +2.2 | +2.7 | New Hampshire..... | -7.0 | -8.3 |
| Louisiana..... | +1.4 | + .8 | | | |

Taking the first quarter it is seen that the most market low in earnings of loggers was a 7.0 decrease for the State of New Hampshire; and taking the second quarter of comparable years you will find some lowering of wages in some of the States but the most market lowering was 8.3 decrease in wages again in the State of New Hampshire.

Senator DOUGLAS. Are those weekly or hourly workers involved?

Mr. CRUIKSHANK. These are the total earnings, as I understand it, from the original table, and they are weekly earnings.

Senator DOUGLAS. Weekly earnings?

Senator GOLDWATER. They are weekly, Mr. Chairman. I have the chart in front of me.

Mr. CRUIKSHANK. Now, a matter of interest to us, incidentally, here, is that Mr. Sherman Adams was connected—and I am not sure but what he still is connected—with the Parker Young Pulp & Paper Company of Lincoln, N. H., and on his employment experience record Mr. Brown showed his close connection with Mr. Sherman Adams when he was Governor of New Hampshire; and also for a period in 1947 if I am correctly informed Mr. Sherman Adams served as an employee of a pulpwood association whose job was to secure the supplies of labor and to see that foreign workers were recruited and that foreign workers were made available in the woods of New Hampshire.

Senator NEELY. What is the name of that association?

Mr. CRUIKSHANK. The American Pulp Supply Association, I believe, sir. I can find that and get you the correct name.

(Mr. Cruikshank subsequently identified the organization as the American Pulpwood Association.)

Senator GOLDWATER. What was the name of the company that you say Mr. Adams was connected with, you mentioned a specific name?

Mr. CRUIKSHANK. The Parker Young Pulp & Paper Company of Lincoln, N. H.

Senator GOLDWATER. And later an employee of what?

Mr. CRUIKSHANK. The Pulp Supply Association. I will have to look that up. Do you wish me to do it now. It will take a moment.

Senator GOLDWATER. There is one more statement that you made and I would like to have this corroborated for the record, that their purpose was to employ or to get the Canadian workers to work in this country, but you made that as a direct statement, that that was the purpose of that corporation. Now, can you prove it?

Mr. CRUIKSHANK. No, sir; I don't believe I did, sir.

Senator GOLDWATER. Mr. Chairman, I suggest that it be stricken from the record.

Mr. CRUIKSHANK. My statement was that Mr. Sherman Adams' duties in 1947 included those of procuring woodsmen to employ in New Hampshire, in the New Hampshire woods, as employees of the pulp and wood companies there and that in that connection he was active in securing the importation of Canadian woodsmen.

Senator GOLDWATER. Then you retract the statement that the Pulp Supply Association which you named had as their purpose the obtaining of Canadian labor?

Mr. CRUIKSHANK. If I made that statement it was unintentional.

Senator GOLDWATER. The reason I am making a point of it is that a specific question was asked the Government agencies yesterday on that matter and it was said that was mainly done by agencies but not any company itself, as to this importation of Canadian labor, and I didn't want it in the record if it wasn't so and I know you wouldn't want it in either that there was an association whose total purpose was to get Canadian labor to come in, because I think if there is such an association, that would be something that hasn't yet been brought before us.

Mr. CRUIKSHANK. If I made that statement, sir, I will withdraw it because it was not intentional, because I have no knowledge to that effect.

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UNITED STATES SENATE,
SUBCOMMITTEE ON LABOR OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D. C., Wednesday, July 27, 1955.

The subcommittee met at 10 a. m. in room P-63, United States Capitol, Senator Paul H. Douglas, chairman, presiding.

Present: Members of the subcommittee: Senators Douglas, Neely, Smith, and Goldwater.

Present: Members of the committee: Senators Lehman, Purtell, and Allott.

Also present: Stewart E. McClure, staff director; Roy E. James, minority staff director; John S. Forsythe, general counsel; Frank V. Cantwell and Michael J. Bernstein, professional staff members; and Grover C. Smith, chief clerk.

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**FURTHER STATEMENT OF NEWELL BROWN, DIRECTOR, DIVISION
OF EMPLOYMENT SECURITY, STATE OF NEW HAMPSHIRE**

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In the matter of the woodworkers, I would like to add one more set of figures. The committee is now up to its ears in figures on the woodworkers, but Mr. Cruikshank attempts to prove that my policies affected wood wages.

I would like to recall my earlier testimony in this particular regard. I find, I identify woods rates—I have nothing to do with the policy of where they go. Having found them, as the chairman has pointed out, they may have one or two effects, because people are hired on the basis

of my findings. They may, on the one hand, serve to keep wages down; on the other, they may help to put them up.

The history shows very clearly that woods wages have risen—or my findings have risen consistently since 1951, and I have very substantial documentary proof if the committee wants it, but so far as overall depression of woods wages goes, to me the most significant figures are some I got up yesterday.

Taking the spread from 1947 to 1954, Senator Goldwater mentioned it, that is, where wages have gone in New Hampshire relative to other States over that 7-year period, the record indicates that in New Hampshire they have increased 62 percent over that 7-year period.

Only two States in the Union had larger increases, and both started a good deal lower than New Hampshire. New Hampshire is third, with a 62 percent increase.

Senator DOUGLAS. What time was this?

Mr. BROWN. This is from the period 1947 through 1954, and these figures are annual figures as contrasted with quarterly figures. As I think a cursory examination of the figures you have seen so far will indicate, woods wages due to weather conditions, temporary recession, short-time rainy weather, mud, can fluctuate very sharply from quarter to quarter.

I have figures to show that a Brown Co. chopper will make \$150 a week in one quarter, and may drop to \$85 in the next. Your annual figure becomes, I think, your really significant one. Therefore, I introduce this.

(The data referred to follows:)

Industry 241, logging camps and logging contractors, average weekly wages

| State | 1947 | 1949 | 1951 | 1953 | | | | 1954, 1st quarter | Percent change, 1st quarter, 1953, to 1st quarter, 1954 | Percent change, 1947, to 1st quarter, 1954 |
|--------------------------|---------|---------|---------|-------------|------------|------------|-------------|-------------------|---|--|
| | | | | 1st quarter | 2d quarter | 3d quarter | 4th quarter | | | |
| Total United States..... | \$42.32 | \$46.63 | \$55.73 | \$53.95 | \$64.17 | \$69.94 | \$61.31 | \$53.60 | -0.6 | +27 |
| Maine..... | 38.50 | 43.69 | 51.48 | 54.18 | 51.46 | 57.04 | 55.45 | 54.37 | +4 | +41 |
| New Hampshire..... | 32.38 | 36.28 | 48.86 | 51.83 | 51.44 | 60.01 | 61.76 | 48.19 | -7.0 | +49 |
| South Carolina..... | 22.22 | 22.61 | 27.91 | 29.18 | 33.09 | 33.78 | 33.80 | 30.43 | +4.5 | +37 |
| Georgia..... | 24.91 | 32.10 | 28.15 | 31.22 | 33.18 | 33.65 | 33.35 | 32.00 | +2.2 | +28 |
| Florida..... | 26.04 | 33.09 | 40.57 | 43.19 | 45.13 | 48.01 | 49.32 | 44.53 | +3.2 | +71 |
| Arkansas..... | 18.81 | 20.67 | 29.76 | 25.98 | 27.80 | 32.24 | 30.87 | 27.21 | +5.0 | +45 |
| Louisiana..... | 20.08 | 22.10 | 28.13 | 28.65 | 29.53 | 31.88 | 34.03 | 29.07 | +1.4 | +45 |
| Washington..... | 58.33 | 64.06 | 72.42 | 74.97 | 87.36 | 87.07 | 83.28 | 73.16 | -2.3 | +26 |
| Oregon..... | 61.79 | 67.56 | 78.42 | 79.75 | 89.66 | 96.26 | 83.72 | 79.16 | -1.7 | +28 |

Source: Computed from UI data.

Senator SMITH. Would you give us those again?

Mr. BROWN. Once again New Hampshire rates third among these nine States that we have been talking about in the field. In the percent of increase between 1947 and 1954. I would like to point out further that that increase of 62 percent, compared with industrial wages generally in New Hampshire, in that period, is more than twice the increase. Industrial wages in New Hampshire in that period increased 30 percent only. Woods wages went up 62 percent.

Nationally—if that is a significant figure—nationally industrial wages went up 43 percent in that period. Woods wages in New Hampshire went up 62 percent.

I think it is a pretty difficult thing to prove that if I had a part, which I don't have, in the policy of woods wages, that I depressed them, and I would say again that the comparison between quarterly figures is manifestly an improper and a specious one in this particular argument.

I would like to say one more thing on the woods worker, and that is, I made the point yesterday that I have had a recent and rather intense interest in this program, and I find that last year, in testifying before Senator Millikin in the Senate Finance Committee, we were discussing this matter of what States would do if there was an excess money distribution, if it was redistributed to the States into their unemployment funds, and then, if the administrator decided he wanted to use some of these moneys for administration.

Senator Millikin asked me:

Well, what would you use the money for if you had this money to go on—and my answer—and this is on page 47 of the hearings of the Committee on Finance, United States Senate, 83d Congress, March 9 and 10. I say this at the bottom of page 47:

And a third thing: Just recently the question of bonded Canadians who come over into our woods to cut timber has come to a head. Labor is getting organized up there. The CIO and AFL have expressed concern. It is a problem that will take a lot of research. It is also important to enforce the tighter regulations for which we are responsible, and that we are going to put in. It will take policing. Under current procedures, I can't get the men to do that kind of a job.

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Senator NEELY. Mr. Brown, will you please refer to page 3 of Mr. Cruikshank's statement and explain why the reduction in the earning capacity of the loggers was so much greater in New Hampshire than it was in any other State?

Senator DOUGLAS. Mr. Brown replied to that this morning when you were not here.

Mr. BROWN. I could give him a 30-second answer.

Senator DOUGLAS. All right.

Mr. BROWN. Sir, this compares quarterly rates between 2 years. It is apparent, I think, from looking at the record that the rates fluctuate very dramatically between quarters.

Senator DOUGLAS. That is, the earnings fluctuate?

Mr. BROWN. The earnings; excuse me. As a counter to this, sir, I presented evidence this morning showing that between 1947 and 1954, among the nine States that we have been talking about in these hearings, New Hampshire rates third from the top with 62 percent—

Senator DOUGLAS. New Hampshire earnings, again.

Mr. BROWN. New Hampshire average weekly earnings rate third from the top among the nine States, 62 percent increase between 1947 and 1954.

Senator SMITH. That is taking the entire year instead of the quarter?

Mr. BROWN. Yes. Those are yearly average weekly earnings figures.

Senator NEELY. What was the explanation for the marked reduction? In the second quarter in Arkansas the reduction was 4.1 percent; in South Carolina, 5 percent; and in New Hampshire, 8.3 percent. Except South Carolina the reduction was more than twice as great in New Hampshire as it was in any other logging State.

Mr. BROWN. We readily admit, sir, that in the years compared here, in 1953 to 1954, we had a recession condition in our woods in New Hampshire, particularly in the spring when we had bad mud and wet conditions. And throughout the years 1953 and 1954 you can compare quarters all the way—first, second, third, and fourth quarters—and get the same result.

And you will find New Hampshire near the bottom of the heap in terms of comparisons between 1953 and 1954. I made the point this morning that my findings actually have no particular bearing on that situation. The situation was caused, as I say, by recession conditions and weather conditions.

Senator DOUGLAS. You are the first Republican that I have ever heard confess that there was a recession.

Mr. BROWN. I referred only to our woods, Mr. Chairman.

Senator NEELY. Mr. Brown, in the first quarter, the reduction in New Hampshire was 7 percent. And the next greatest reduction appears to have been made in the State of Washington in which it was only 2.3 percent.

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Senator DOUGLAS:

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Now, on this woods business, it seemed to me that the important question is not so much the earnings as the cord rates for the choppers and the woodcutters and the sawyers, and we have had testimony both from Maine and New Hampshire and, of course, you can't answer for Maine.

But within the space of 2 years, the cord rates went down from \$7.50 to \$6 and that you were soliciting, and the companies were obtaining, Canadian labor at \$6 a cord where it had formerly been \$7.50.

Mr. BROWN. Yes, sir. Do you want me to make comments on that?

Senator DOUGLAS. Yes.

Mr. BROWN. I commented yesterday that so far as my figures are concerned, that is demonstrably not true, and I have—if I can dig here a minute, I think I can find that chart which I would like for you to take a look at, if I may.

Senator DOUGLAS. Yes.

Senator PURTELL. When you said, "Yes, sir," you didn't mean "yes" in reply to his question?

Mr. BROWN. That the rates had gone down?

Senator PURTELL. Well, he said you and others were seeking to get this cord rate at \$6. Did you mean "yes" in reply to that?

Mr. BROWN. No, sir, I did not.

Senator DOUGLAS. I didn't interpret it so.

Senator PURTELL. No, but I was afraid, sir, that the record might.

Senator DOUGLAS. Just to make the record perfectly clear, I will say that the chairman did not interpret it so.

Mr. BROWN. This is a rather rough diagram, but this is column for the various types of woods work. This is the wage rate. Nowhere can I find any indication that—

Senator DOUGLAS. May I make this a part of the record?

Mr. BROWN. I would like to, but could I smooth it up a bit so it is more understandable?

(The data referred to follows:)

Prevailing rate ranges for cutters in Berlin, N. H., area found by New Hampshire division of employment security for period 1951-55

| 6-month bonding period | Softwood | Hardwood | Softwood cut and skidded | Hardwood cut and skidded | Rough pulp, stump | Rough pulp, yarded | Peeled pulp, stump | Peeled pulp, yarded |
|------------------------------|---------------------------|----------------|--------------------------|--------------------------|-------------------|--------------------|--------------------|---------------------|
| | April-September 1951..... | \$4.50- \$5.50 | \$5.50- \$6.50 | \$9.00- \$10.00 | \$10.50- \$12.00 | \$4.50- \$6.00 | \$5.00- \$7.00 | \$7.00- \$8.00 |
| October 1951-March 1952..... | 6.00- 7.00 | 7.00- 8.00 | 9.50- 12.00 | 10.50- 12.00 | 5.50- 6.50 | 6.00- 7.50 | 7.00- 8.00 | 8.00- 10.00 |
| April-September 1952..... | 7.00- 8.00 | 7.00- 8.00 | 9.50- 17.00 | 10.50- 17.00 | 5.50- 7.50 | 6.00- 8.50 | 7.00- 8.00 | 8.00- 10.00 |
| October 1952-March 1953..... | 7.00- 8.00 | 7.00- 8.00 | ----- | ----- | 5.50- 7.50 | 5.50- 10.50 | ----- | ----- |
| April-September 1953..... | ----- | 7.00- 9.00 | 10.00- 12.00 | 10.00- 14.00 | 5.00- 7.00 | 6.00- 7.00 | 8.00- 9.50 | 9.00- 10.00 |
| October 1953-March 1954..... | 8.00- 10.00 | 8.00- 10.00 | 10.00- 14.00 | 12.00- 14.00 | 5.00- 7.00 | 6.00- 8.00 | 8.00- 10.00 | 9.00- 11.00 |
| April-September 1954..... | 8.00- 10.00 | 8.00- 9.00 | 10.00- 14.00 | 12.00- 14.00 | 5.00- 7.00 | 6.00- 8.00 | 7.00- 9.50 | 8.50- 10.50 |
| October 1954-March 1955..... | 8.00- 10.00 | 8.00- 10.00 | 10.00- 12.00 | 12.00- 14.00 | 5.00- 6.50 | 6.00- 7.00 | 7.00- 9.50 | 8.50- 10.50 |
| April-September 1955..... | 8.00- 10.00 | 8.00- 16.00 | 10.00- 14.00 | 11.50- 14.00 | 5.00- 7.00 | 6.00- 8.00 | 7.00- 9.50 | 8.50- 10.50 |

