



# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

STATEMENT BY SECRETARY OF TRANSPORTATION JOHN A. VOLPE AT A  
NEWS CONFERENCE, WEDNESDAY, FEBRUARY 24, 1971, WASHINGTON, D. C.

Thank you for being here on such short notice. I have called you here on a very serious matter on which the President took some action yesterday.

Because the Department of Transportation accounts for an extremely large share of Federal building projects involving the construction industry -- primarily in highway construction -- the President's suspension of the union-wage standards in the Davis-Bacon Act, will have a decided impact through this Department in the battle against inflation.

Let me say that I strongly support President Nixon's bold move; yet at the same time I recognize -- as the President does -- that his action is in no way a cure-all for the upward spiral of wages and prices in the construction industry.

I lend my full support to the President not only as Secretary of Transportation, but also as a former hard-hat myself, as a contractor who did many millions of dollars worth of Federal contracts as well as other construction in my business career, and as a former member of the Labor Relations Committee -- of the Associated General Contractors of America (of which I was later president).

The President has taken this action as a first step in what is essentially a genuine economic emergency. The construction industry represents close to, 15 percent of the total gross national product.

If we are to halt this upward spiral, however, it will take more than stop gap action, such as this.

As a lifetime member of the Plasterers' Union, as a former contractor, and as Secretary of Transportation, I know that the ultimate halt to inflation will come not from emergencies or mandates, but from concern and cooperation.

- more -

So the next step -- the most important step -- is for my former colleagues in the construction industry, and my brothers in the unions, to get together and develop a voluntary agreement providing for their own wage-price controls.

No President seeks to arbitrarily invoke emergency controls.

I know that some segments -- in both industry and labor -- are disappointed that the President did not impose controls.

I can only say, that the President believes in the free enterprise system, and hopes that in the open market labor and management will voluntarily cooperate to solve the problem. President Nixon knows that the construction industry and the labor unions are concerned. He feels -- and I do -- that enlightened management and enlightened labor can and will get together to take the voluntary steps necessary to bring a solution to this economic emergency.

#####