

HISTORY

During the 1920s, the American government was involved in numerous construction projects, and increased building activity created a growing awareness of labor quality and the plight of the workforce. The Davis-Bacon Act was enacted in 1931 to guarantee fair competition on federal and state construction projects. According to the U.S. Department of Labor, the law stipulates, “contractors or their subcontractors are to pay workers employed directly upon the site of the work no less than the locally prevailing wages and fringe benefits paid on projects of a similar character.” The General Executive Board of the Laborers International Union saw the importance of the legislation, so in that same year, they voted to endorse the Act.

This took place two years after the stock market crash of 1929, but the country’s financial situation had nothing to do with the initiation of the law. By that time, seven states had already enacted prevailing wage laws. In fact, Kansas had passed the first state prevailing wage law in 1891, and New York also had its own prevailing wage statute in 1926, during the more prosperous Roaring Twenties.

The primary sponsors of the Davis-Bacon Act, Congressman Robert Bacon and Senator James Davis, hoped to stabilize the construction industry, since low-bid requirements for public projects compelled many contractors to hire workers for substandard wages. These low-wage workers were usually less skilled and from other parts of the country, rather than local labor pools. The workers brought in were often forced to live in substandard housing, compromising their health and safety.

Robert Bacon’s concern for the welfare of these workers is evidenced by this statement regarding labor conditions of his time, in which he commented on how an Alabama construction firm transported thousands of unskilled workers to a New York public project: “They were herded onto this job, they were housed in shacks, they were paid a very low wage, and ... it seems to me that the federal government should not engage in construction work in any state and undermine the labor conditions and the labor wages paid in that state.”

By setting a local wage standard for workers on public projects, Davis and Bacon intended to offer contractors an equal stance for bidding competition. This would counter the strategy of paying substandard wages to bring down expenses, and discourage the practice of bringing in lower-paid workers and subjecting them to poor living conditions. The basic value of the law holds just as true today as it did at the time it was written. The Davis-Bacon Act helps the American worker to survive in a highly competitive marketplace. Reducing the wages of the labor force only creates direct hardships for working families and indirect difficulties for other areas of society.