

Amendments of 1995. This is a companion bill to S. 1183, introduced by Senator HATFIELD in the other body.

The Davis-Bacon Act is an important protection for many working families in our country. Davis-Bacon requires contractors to pay the locally prevailing wage on Federal construction and repair contracts. The law seeks to level the playing field without undermining local economies and local employment practices.

Repeal of Davis-Bacon would reduce the standard of living for many working families and force contractors to discontinue training programs, health care, and pensions for their workers. With the result, I might add, that the Federal Government would face the costs of taking over training, paying for indigent health care for workers, and possibly bailing out failed pension plans.

This bill represents an alternative to repeal. We recognize that the threshold triggering Davis-Bacon coverage of contracts has not been adjusted since it was set at \$2,000 in the 1930's. This bill raises the threshold to \$100,000 for new construction and \$25,000 for renovation and repair contracts, and would adjust the threshold annually for inflation.

This bill also prohibits contract splitting to avoid Davis-Bacon coverage, enhances enforcement of the Act, makes provision for the use of helpers, and makes other changes in the law to clarify the scope of coverage of Davis-Bacon.

Our bill is identical to S. 1183 with two exceptions. As I mentioned, we would adjust for inflation annually. S. 1183 makes that adjustment every 5 years.

In addition, S. 1183 replaces the current weekly payroll reporting requirement with a monthly requirement. Our bill requires payroll reports every 3 months, or quarterly.

I believe these modifications strengthen our version of the bill.

Mr. Speaker, we introduce this bill to reform Davis-Bacon in the hopes of expanding the range of options to be considered by the House and to expand the debate beyond repeal versus the status quo. This bill was worked out as a compromise between labor and a coalition of over 14,000 contractors in all 50 States. We hope that what comes out of this process is a reform of Davis-Bacon that all sides can live with.

EXTEND THE ETHANOL TAX INCENTIVE

HON. RICHARD J. DURBIN
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. DURBIN. Mr. Speaker, today I am introducing legislation to extend the excise tax incentive for ethanol use to the year 2002.

This legislation is necessary for two reasons. First, the Ways and Means Committee's recent attempt to kill this important program has created uncertainty about the ethanol tax incentive. The resulting investor hesitation could undermine the growth of this important renewable fuel program.

Second, farmers are being asked to swallow billions of dollars of farm program spending cuts through the year 2002. The ethanol tax incentive provides an important alternative market for their products, but it is set to expire

in the year 2000. Farmers should be given a commitment that the ethanol program will also last a full 7 years.

Ethanol is important to the rural economy. A recent analysis by economists at the University of Illinois at Urbana-Champaign found that, because ethanol demand strengthens commodity prices, ethanol use adds more than \$2.6 billion per year in market revenues to U.S. farmers. The General Accounting Office estimates that the value to the U.S. Treasury of ethanol use is as much as \$6.3 billion over 5 years.

Ethanol strengthens the economy, improves the environment, and decreases our dependence on foreign oil. Moreover, the ethanol tax incentive more than pays for itself. Ethanol production will provide taxpayers a net savings of almost \$4 billion over the next 5 years, according to a recent study. The direct cost of the incentive will be more than offset by additional income tax revenues and reduced farm program costs. The Federal Government gains \$1.30 for each gallon of ethanol sold in America—more than double the 54-cent-per-gallon cost of the incentive.

Clearly, ethanol is not a favorite of many of the big oil companies. But just as clearly, ethanol use is good for America. Each gallon of ethanol production capacity not built due to uncertainty about ethanol's tax status represents a loss of revenue to the U.S. Treasury as well as to our Nation's farmers. If investors are scared away because of legislative attacks on ethanol, the taxpayer loses.

That is why I am introducing legislation to reaffirm and extend our national commitment to domestic, agriculture-based, renewable fuel program. We need to give this important sector of our economy the stability that will allow it to keep expanding. We need a solid, 7-year commitment to help ensure that the demand for home-grown ethanol continues.

I am pleased to announce that this is a bipartisan measure that includes Mr. LEACH, Mr. LIGHTFOOT, and Mr. POSHARD as original cosponsors. I urge my colleagues to join me in cosponsoring this legislation to send a signal that Congress will keep its commitment to renewable alcohol fuels.

IN HONOR OF NATIONAL BUSINESS WOMEN'S WEEK

HON. MIKE WARD
OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. WARD. Mr. Speaker, I wish to recognize that next week is National Business Women's Week and to honor the BPW/River City which is based in Louisville, KY. BPW/USA was founded in 1919 as a non-profit, non-partisan, non-sectarian, self-governing, member supported organization, whose primary objective is to support the professional development of working women. BPW/River City was founded in 1976 and is the largest local BPW organization in the United States.

National Business Women's Week is held annually to highlight working women's issues and accomplishments in the community through seminars, programs and the presentation of special awards to winners of competitions for Woman of Achievement, Young Careerist and Corporate Excellence.

BPW/River City sponsors numerous programs, including LEADERSHIP BPW, providing networking opportunities in and knowledge of the Louisville community. The individual development program emphasizes members' professional development. The Berea College New Opportunity School Program provides support for Appalachian women receiving training and skill building to assist them in beginning their careers.

I am proud to have the largest BPW organization in my district, their efforts in support of working women are to be commended.

FEDERAL CUTS JEOPARDIZE MARYLAND'S ATTEMPT TO END WELFARE AS WE KNOW IT

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. MFUME. Mr. Speaker, my purpose today is to bring to my colleagues' attention an article that was published in the October 7, 1995 edition of The Washington Post.

The State of Maryland has developed a program to end the problem of welfare dependency. The success of the effort has been stymied by the current squeeze on welfare. This article from the Washington Post sheds light on the problem of Congress' rush to seek reform without exploring all reasonable options.

Mr. Speaker, welfare reform should be strong on work, not strong-arming children.

[From the Washington Post, October 7, 1995]

FEDERAL CUTS PUT SQUEEZE ON WELFARE

(By Michael Abramowitz)

Maryland may have to scrap its pilot welfare program and reduce basic grants to welfare recipients as the result of expected federal spending cuts, a task force of top state officials and welfare advocates has concluded.

Gov. Parris N. Glendening (D) said yesterday in an interview that his aides are drawing up plans to cut \$25 million to \$50 million from the \$650 million budget of the Department of Human Resources, which manages the state-federal welfare program in Maryland.

That represents the state's best estimate of the immediate fiscal impact of the welfare overhaul plan approved in both houses of Congress.

"We've got to move very quickly on all these [federal] losses," Glendening said.

State officials said that they had not determined how the cuts will be allocated and that a decision could come by November. But a task force of legislators, Glendening aides, local social, service officials and advocacy groups has drafted a list of recommendations that include requiring welfare recipients to take any job offered and requiring other steps to keep people off welfare to begin with.

Although the idea is not part of their formal recommendations, task force members said the state also was seriously considering trimming the basic monthly welfare grant, which is \$373 a month for a family of three. That's already less than the \$406 monthly payment people on welfare received before the General Assembly cut grants in 1991 and 1992.

But the group's most controversial recommendation may be to drop the pilot welfare program scheduled to begin in April for 3,000 families in Prince George's and Anne

Arundel counties and in Baltimore. Aides said Glendening had not endorsed any of the recommendations yet.

Touted by state officials as a common-sense approach to the problem of welfare dependency, the pilot program would require participants to get a job or perform community service after three months on welfare. It also is designed to cushion the transition from welfare to work by providing more health and child care benefits for participants.

Even though state officials said the plan ultimately would save money, it would cost about \$6 million to implement over the next three years in the pilot jurisdictions and \$250 million more to put in place statewide.

The Clinton administration approved the pilot plan only two months ago. But the task force concluded that it may not be worth it to spend the money in the wake of welfare spending cuts that will reduce Maryland's federal funds by \$200 million over the next five years. Instead, members said, the state simply should incorporate some of the less costly features of the pilot program statewide, such as the tougher work requirements.

Del. Samuel I. Rosenberg (D-Baltimore), a task force member and one of the authors of the state's welfare reform bill, said the "fiscal reality is that you can't do" the pilot program. "We're being asked to do more with less," he said.

Like many other states, Maryland is engaged in furious last-minute deliberations over how to cope with the prospect of massive change in the federal-state welfare program. Both the House and the Senate have approved bills that would end the traditional federal guarantee of financial support to poor people who meet certain eligibility standards. Instead, the federal government would send federal money to the states in the form of block grants and give governors and state legislatures more discretion over how the money is spent. Both bills would cut millions from the funds states were expecting to receive from Washington.

Virginia officials said yesterday that they are confident that they are in better shape than Maryland. For one thing, Virginia already has implemented its own welfare overhaul that is far broader than Maryland's. State officials have estimated that their plan will pare thousands from the welfare rolls, saving as much as \$130 million over five years, or more than the Clinton administration's estimate of what Virginia stands to lose in the federal welfare overhaul.

150TH ANNIVERSARY OF BLACKSTONE, MASSACHUSETTS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. NEAL of Massachusetts. Mr. Speaker, today I would like to offer my congratulations to the citizens of Blackstone, MA, on their town's 150th anniversary. Blackstone is named after the Blackstone River which flows through the town and is one of the most significant waterways in American history. It was on the banks of this river over 200 years ago that Samuel Slater built the first American factory thus launching the American Industrial Revolution. Blackstone is also located in the center of the Blackstone River Valley National Heritage Corridor Area. This is a town rich in history and tradition and is the embodiment of the New England spirit.

To honor this important milestone, a series of events was held in Blackstone as part of a year-long celebration. Among the events celebrated were a village fair and parade in May, numerous Fourth of July festivities, and most recently on September 24, a parade celebrating the Blackstone Valley heritage homecoming. The parade was a grand affair with 11 neighboring towns participating, featuring Richard T. Moore, Associate Director for Mitigation of F.E.M.A., as the parade's grand marshal. Following the parade a band competition was held at the Blackstone/Millville Regional Junior/Senior High School in Blackstone. The events received rave reviews from the many who attended.

Congratulations to the hardworking members of the Blackstone 150th Anniversary Celebration Committee. The tireless efforts of these citizens over the past year produced several outstanding anniversary events. Their dedication to their town truly epitomizes the kind of citizenry that has made Blackstone an exceptional American town. I am honored to represent such a wonderful community and I join with the citizens of Blackstone in looking ahead, with tremendous optimism, to the next 150 years.

TRIBUTE TO TAIWAN ON HER NATIONAL DAY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. PALLONE. Mr. Speaker, on October 10, 1995, the Republic of China on Taiwan celebrated its National Day. This day of celebration marks the occasion of the end of more than 3,000 years of dynastic rule. I salute the great changes that have been undertaken by the people of Taiwan to transform their country into one that respects the right of the individual to participate in democratic self-rule.

While Taiwan's National Day is a happy occasion, we here in the United States must be concerned by the recent heightening of tensions in the region. The People's Republic of China (PRC) has undertaken a program of intimidation toward Taiwan. The PRC has launched missiles less than 100 miles off the coast of Taiwan, staged "Island Landing" military exercises and openly threatened mock naval blockades. All because democratic Taiwan continues to seek greater international recognition.

The United States has an important role to play in this situation. President Clinton will be meeting with PRC President Jiang in New York as part of the celebration of the 50th anniversary of the United Nations. Under the Taiwan Relations Act of 1980, the United States has an interest in promoting a peaceful solution to the Taiwan situation. I do not think the PRC's actions reflect a move toward peace, and our President needs to remind the PRC of our goals.

Taiwan will have open Presidential elections in March 1996. The two primary political parties have nominated their candidates, and even a powerful independent candidate may take the stage. We have promoted the ideal of democracy throughout the world. Now that it is a reality on Taiwan, we must do what we can to maintain it.

Again, I want to congratulate Taiwan on its National Day, and send warm regards to President Lee Teng-hui on his country's amazing success.

PUTTING ETI'S OFF LIMITS TO PRIVATE PENSION FUNDS

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. SAXTON. Mr. Speaker, I would like to bring to your attention an excellent article by Stuart Anderson, policy director of the Alexis de Tocqueville Institution. His article in Investor's Business Daily on September 28, 1995, "Beware Politically Correct Investing," explains why the Federal Government should not require or encourage pension funds to make investments based on criteria other than the risk-adjusted rate of return of an investment. This is an important and particularly timely article considering the Clinton administration's current efforts to conscript private pensions assets into so-called economically targeted investments, which are better described as politically targeted investments.

The Alexis de Tocqueville Institution employed data provided by Morningstar, Inc. that compared the annualized returns of 13 "socially conscious" mutual funds that invested in growth funds to the universe of growth funds. The result was that, "Over 3-, 5- and 15-year growth periods, the average growth fund always outperformed the average socially conscious growth fund."

This new report supports the conclusions of a previous report by the Republican staff of the Joint Economic Committee [JEC]. The JEC report, entitled "The Economics of ETIs: Sacrificing Returns for Political Goals," showed how the investment underperformance caused by ETIs would cost an average of \$43,298 per private pension plan participant after 30 years.

These findings highlight the need for Congress to keep overzealous political appointees in check. In this case, the concern is Labor Secretary Reich's vocal advocacy of ETI's, even given their dismal record. If ETI's underperform non-ETI's, as numerous private studies have shown, then what possible rationale is there to support their implementation? One possible conclusion is that ETI advocates are more interested in the politically driven projects financed by ETI's than in protecting the pension savings of millions of Americans.

It is simply not possible to reconcile two fundamentally conflicting goals assigned to pension plans by Secretary Reich. Traditionally, pensions have had but one goal: to maximize risk-adjusted rates of return. Secretary Reich, however, has added a second goal to pension plans: to utilize pension assets to achieve some political benefit for persons other than the pension beneficiaries. The Labor Secretary's desire to push such a risky political investment strategy, however, flies in the face of his duty to serve as a trustworthy guardian of the nation's pension system, safeguarding it from, among other things, unnecessary risk of pension losses.

But ETIs are not the first time that Secretary Rich has required Congressional oversight.