developments along our border known as colonias.

Throughout my tenure in the U.S. Congress, throughout my public service—I have sought to make the American people aware of the fact that, as the result of the indefensible greed of developers, these communities lack the basic necessities to sustain life—water and sewer services.

The colonias are breeding grounds for deadly diseases most of the United States never sees—cholera, typhoid, tuberculosis, and others that occur mostly in the poorest nations of the world, not, one would think, on our very own border from Texas to California. These diseases and the improverished communities in which they fester are a threat to every American.

It is for these reasons that I have fought and even pleaded with some of you not to forsake victims of the colonias—thousands of people who risked their financial resources for a small slice of the American Dream that has, all too often, turned out to be an unsantiary patch of desert that has robbed their babies of childhood and them of their hard-earned dollars.

As a result of our efforts to give local communities and the victims of colonias the resources for the basic water and sewer services that any home requires, some $250 million has given thousands of colonias residents not just running water and toilet facilities, but hope.

And it's been worth every penny of it and it's been worth every one of the countless hours I have spent trying to explain the need just to look in the eyes of a colonia child who is healthy today only because of Congress.

And Texas, too, has responded by enacting legislation similar to that I proposed in the Texas Legislature more than 20 years ago to make it impossible to develop more colonias that fail to offer water and sewer services.

Not one penny of America's tax dollars has gone to colonia developers. All of it has gone to help their victims and to help protect all Americans from diseases no American should be exposed to.

Although ''60 Minutes'' made some of these points and raised the consciousness of viewers about this issue, it made some suggestions it knew to be false—including that I threatened the attorney general of Texas.

Attorney General Morales knows that I never directly or indirectly threatened him in any fashion about this or any other issue, nor participated in any conference call with him about colonias or any other matter. The attorney general knows this and ''60 Minutes'' and other news media would, too, if they only bothered to investigate.

''60 Minutes'' could have helped colonia residents and the public health crisis caused by colonia. Instead, it muddied the water with false charges and innuendos that careful, accurate reporting—or attention to the facts provided it—could have avoided.

Because my intentions with regard to colonias—helping the victims get water and sewer services and putting the developers out of business—has clearly been a matter of public record for 25 years, I ask you, my colleagues, and you, the American people, not to turn your backs on the children and struggling families living along our southern border in the abominations called colonias.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ISTOOK AMENDMENT TO HAVE FAR-REACHING EFFECTS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, today I circulated to my colleagues in the House the following document entitled ''The Istook Amendment, New Regulation of Your Business.''

One of the myths about the so-called Istook-McIntosh-Ehrlich proposal is that it has only to do with nonprofit organizations. In fact its reach will be much broader than that. I think my colleagues ought to be aware of exactly how extensive and pervasive and perverse that reach would be.

This fact sheet outlines what businesses could expect under the regime that would be imposed by the Istook amendment. Many people think it has only to do with grants. Of course grants do go to many businesses. Just to point out a few, Lockheed Martin gets research grants from the Defense Department; Chrysler, Ford, W.R. Grace from the Commerce Department. Thousands of others would be affected by grants.

But because of the other language in this proposal, many, many other companies would also be subjected to its extraordinary regulatory regime. That is because not only do direct payments count but also the receipt of, quote, anything of value.

So, for instance, a farming business that gets irrigation water from the Federal Government would be included, as would, in my part of Colorado, several major businesses who happen to get irrigation water from Bureau of Reclamation projects.

Farmers getting emergency livestock feed during severe weather would be affected, and some other things that you really would not think of initially as a thing of value until you examine carefully.

For instance, publishers of newspapers and magazines getting second class mailing permits, a benefit from what would otherwise be their mailing costs. Broadcasters getting television or radio licenses, companies getting patents, and so on. Many, many things that do not necessarily occur to you right off the bat as being a grant or a thing of value would suck you into the regulations.

How would that affect your business? Well, it would mean that you would be restricted from spending even your private business resources to protect your private business interests whenever the government was involved. Because anything you might do to try to change or influence or reverse any decision by any level of government that might affect your business would be subjected to this restriction against your use of your private money, if you got any grant or thing of value from the Federal Government.

So appealing a State administrative or local administrative decision would count as political activity that would be restricted. Participating in any kind of campaign, even a local referendum affecting the business climate, would be covered.

But much more significantly than that, you would have to find out not only accounting for your own political activity, but you would have to find out about the political activity of anybody with whom you did business, your employees, your vendors and so forth. Because if they were hyperactive politically, if they happened in one year or another to exceed a 15-percent limit, then anything you spent with them would count against your own limit. If you exceeded your own limit, then you would be in violation of the law and, among other things, would be subject to a kind of vigilante lawsuit that is authorized under this bill by incorporating the Federal False Claims Act.

It is much broader, as I say, than just a regulation of the lobbying activities of nonprofits getting Federal grants. That is the mask behind which the proponents of this language wish to hide. In fact, it is entirely likely that the Istook-McIntosh-Ehrlich proposal would affect virtually all businesses in this country in one way or another.

Mr. Speaker, I include the following document for the RECORD:

THE ISTOOK AMENDMENT: NEW REGULATION OF YOUR BUSINESS

To stifle critics of their political agenda, House Republicans have come up with what may be the most intrusive regulatory scheme ever. Although often described as applying just to nonprofit organizations, the ''Istook amendment''[1] is written so broadly that it would regulate many (or even all) American businesses.

ARE YOU REGULATED:

With few exceptions, your business will be regulated if it gets money or any ''thing of value'' from the federal government.

The only relevant exceptions: you wouldn't be regulated for receiving payments for property or services you provide ''for the direct benefit or use of the United States,'' or for receiving ''payments of loans, debts, or entitlements.''

Does your business get federal grants? Then you're regulated.

Lockheed-Martin (Defense Department research grants); Ball Corporation (NASA); Alcoa, Amoco, Chrysler, Food, General Motors, W.R. Grace & Co., Dow Chemical, and U.S. Steel (all Commerce Department); and thousands of other companies would be regulated.

Other federal payments? You're regulated.

Agricultural exporters in the Market Promotion Program, fishermen compensated

[1] The Istook amendment is title VI of H.R. 2127, the House-passed Labor-HHS-Education appropriations bill. House conferees have also proposed it as a conference-committee addition to the Treasury-Postal Service-General Government appropriations bill.

when offshore oil and gas drilling reduces their catch, and shipbuilders getting merchant marine subsidies would all be regulated.

Get something tangible from the government? You're regulated.

Getting Bureau of Reclamation water makes your regulated. Besides farmers and ranchers, one project's water users include IBM, Hewlett-Packard, Eastman Kodak, a Chevrolet dealer, a dry cleaner, banks, construction companies, insurance companies, and manufacturers—all examples of the unexpected reach of the amendment.

Farmers getting emergency livestock feed would be regulated.

Something intangible? Apparently you're regulated, too.

An intangible item can be a ''thing of value.''

Publishers getting second-class mailing permits, broadcasters getting television or radio licenses, and companies getting patents appear to be regulated.

Have a federal loan? You're apparently regulated.

The exemption for ''payments of loans'' seems to apply only when the federal government repays funds it has borrowed—for example, redeeming a savings bond. Borrowing money from the government doesn't seem to be exempted.

So, businesses getting loans from the Small Business Administration, the Farmers Home Administration, or other agencies would be regulated. Even getting a disaster-assistance loan for rebuilding after the Oklahoma City bombing or Hurricane Opal would get you regulated.

Buy something from the government and pay full price? Believe it or not, even that gets you regulated.

There's an exemption for contractors getting paid for goods and services provided to the federal government ''for the direct benefit or use of the United States.'' But that quoted phrase keeps the exemption from applying to items you receive from the government for your benefit or use, even if fully paid for.

So, the regulations would hit businesses buying or leasing surplus government property, national forest timber, oil or gas on public lands, electricity from the Tennessee Valley Authority, or conceivably even stamps from the U.S. Postal Service.

RESTRICTIONS ON ADVOCACY FOR YOUR BUSINESS INTERESTS

If you're regulated, the amendment restricts how much of your own money you can spend in certain ways—even on your essential business interests.

The restrictions apply to your ''political advocacy,'' which includes (1) influencing any federal, state, or local legislation; (2) influencing or appealing any federal, state, or local agency's administrative actions; (3) influencing public opinion on federal, state, or local legislation or agency action; (4) suing federal, state, or local governments; and (5) participating in any campaign for any federal, state, or local office.

This covers everything from seeking a rezoning to opposing tax increases, from applying for a building permit to doing studies to support Food and Drug Administration (FDA) approval of a new medicine, from advising your employees of pending legislation to addressing public concerns about the location of a new office building, and from seeking judicial relief when an agency misapplies the law to posting a campaign sign in your shop window.

The term also includes derivative ''political advocacy:'' buying goods or services from a person or organization that in the previous year spent over 15 percent of its own funds on ''political advocacy.''

Derivative ''political advocacy'' doesn't depend on your activities, but on the activities of those with whom you do business. It can even be triggered by a series of business transactions. Say a start-up pharmaceutical company spent 15 percent of its budget in 1994 on studies to support FDA approval of a new medicine. It's then a ''15-percenter,'' contaminating anybody that buys something from it in the next year. If such a purchase pushes a second company's overall 1995 spending on ''political advocacy'' over 15 percent and your business buys something from the second company in 1996, that is ''political advocacy'' by your company.

Of course, compliance would be impossible. As IBM has commented, ''We have no way of knowing what the situation might be with the literally thousands of vendors to whom IBM may have made disbursements.''

If your business has already received money or something of value from the Federal Government, it can spend no more than one to five percent of its own funds in any one year on ''political advocacy.'' And spending more than that on ''political advocacy'' makes your business ineligible to get Federal funds or items for the next five years.

The limit would be five percent of a business' first $20 million, and one percent beyond that. So a $1 billion corporation would have a 1.08 percent limit.

A family-farm partnership with a $200,000 budget could spend no more than $10,000 a year, in total, on:

Buying goods or services from businesses that are ''15-percenters.''

Hiring employees who are ''15-percenters.''

Suing to challenge an environmental regulation as a ''taking'' of property.

Applying for crop-price supports. (They are an entitlement, and receiving them doesn't make you regulated; but applying for them is ''political advocacy.'')

Applying for permits and licenses (such as section 404 clean water permits, building permits, and tractor registrations); doing studies to support them; responding to public criticisms of them; and appealing any denial of them.

Paying dues to a Chamber of Commerce or a farmers' association.

Having any contact with a member of a city council, state legislature, or Congress, or their staff, about land use or farm policies.

Opposing citizen-initiated ballot measures to preserve open space.

Making contributions to candidates for public office.

Informing employees about proposed legislation that would affect them.

In addition, a business receiving Federal funds could not spend any of those funds on ''political advocacy.''

A defense contractor couldn't use research-grant funds to buy something from a ''15-percenter.'' A company receiving a joint grant with a ''15-percenter'' firm couldn't make any payments to its partner. The only way out of these situations is if Congress later passes a specific bill to lift the prohibition.

INDIRECT REGULATION OF POSSIBLE ''15-PERCENTERS''

Even if your business is not directly regulated, you will be substantially affected if you do business with, or try to do business with, a regulated company.

Under penalty of law, a regulated company has to determine if all organizations and individuals it makes payments to are ''15-percenters,'' so it knows whether to count and report those payments as ''political advocacy.''

Obviously, regulated companies will try to avoid doing business with ''15-percenters,'' because payments to them count against the spending limits. (This seems to be the intent of the amendment.) There will also be a chilling effect on regulated companies doing business with those claiming they aren't ''15-percenters,'' because if that claim's inaccurate the regulated company is liable.

RECORDKEEPING AND REPORTING REQUIREMENTS

Your business, whether directly regulated or indirectly affected, will have to track its spending on ''political advocacy'' on the basis of the Federal fiscal year.

All calculations under the Istook amendment must be based on the Federal fiscal year—both for a regulated business to track its compliance with the spending limits, and for a non-regulated business to determine whether it's a ''15-percenter.''

All employees will have to keep records of the time they spend on ''political advocacy.''

The appropriate share of payments for salaries and benefits has to be counted as ''political advocacy.'' Again, this is true for both regulated businesses (to comply with the spending limits) and non-regulated businesses (to be able to show whether they are ''15-percenters'').

Regulated businesses have to follow ''generally accepted accounting principles'' in tracking funds or items received from the Federal Government.

Even a family farm must follow these standards in accounting for its use of emergency livestock feed or irrigation water.

Regulated businesses are subject to Federal audits.

The audits will be made available to the public, even if they contain information that otherwise would be kept confidential under the Freedom of Information Act.

Regulated businesses will have to file certified annual report describing their ''political advocacy'' activities and the money spent on them.

Apparently every contact with federal, state, and local government officials, every attempt to influence the opinion of any group on a policy matter, and every purchase from a ''15-percenter'' will have to be listed, even if no money was spent on it. For those with a cost, the amount of money spent will have to be listed.

These reports will be made available to the public; a national political registry containing all annual reports will go out on the Internet.

All applications for funding or items from the government will be made available to the public.

The applications will be released even if they contain information that would be kept confidential under the Freedom of Information Act.

PRESUMPTION OF GUILT

If your compliance with the law is challenged, you have the burden of proving that you have complied.

This reverses a hallowed American principle: the presumption of innocence.

To prove your innocence, you would have to present ''clear and convincing evidence'' of your compliance.

This is the toughest standard in civil litigation. This two-part, unprecedented stacking of the legal deck applies even to matters impossible to prove, such as whether another business is a 15-percenter.

HARASSING LAWSUITS

A regulated business can be sued by the federal government or a person acting as a ''private attorney general,'' claiming the business failed to comply.

Anyone found in violation has to repay three times the value of whatever was received from the government, plus fines. A

person bringing a ''private attorney general'' lawsuits gets a share of this money—obviously inviting and even financing harassment lawsuits and vigilantism.

The SPEAKER pro tempore. (Mr. CHAMBLISS). Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

[Mr. HORN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

[Mr. WISE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

REPEAL THE DAVIS-BACON ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. BALLENGER] is recognized for 5 minutes.

Mr. BALLENGER. Mr. Speaker, I hope that my colleagues were able to see the NBC news story last night featuring Davis-Bacon as part of an ongoing series on ''The Fleecing of America.'' For those who missed the story, I am submitting a copy of the transcript for the RECORD. The report covered an investigation into the Davis-Bacon prevailing wage rates for Oklahoma. Survey data listing non-existent projects and ghost employees was submitted to the Department in an apparent effort to inflate the wages paid on Federal construction projects. For example, a Federal wage survey form was submitted to the Department documenting a construction project in Mustang, OK, which was never built, needed, or even proposed.

This is just one example of what may well be a systemic problem with the administration of the Davis-Bacon Act by the Department of Labor. Sixty-three years of artificially high construction costs are enough.

The Davis-Bacon Act should be buried among other legislative antiquities. It is the perfect example of an outdated, expensive and unnecessary law. Whether or not the Davis-Bacon Act was ever really needed is debatable; but today Davis-Bacon remains law, giving some construction workers a bonus at the bargaining table at the taxpayer's expense.

Enacted during the throes of the Depression, the Davis-Bacon Act required contractors on federally funded construction to pay the government mandated ''prevailing wage.'' Over the years, the prevailing wage requirements of the Act have been extended into many other Federal program, which would not have otherwise been covered by Davis-Bacon. Some $48 billion annually in federal construction spending falls under the Davis-Bacon Act requirements. In effect, the Davis-Bacon Act amounts to a ''tax'' on construction.

The Congressional Budget Office says that the Davis-Bacon Act raises government construction costs on the order of $1 billion a year. That, however, is probably only a fraction of the cost. Contractors who pay less than Davis-Bacon wages on private construction projects are deterred from bidding on government projects because they fear the disruptive effects of two-tiered pay scales. Many contractors simply refuse to bid on Federal projects because they will have to pay some of their employees more than others for the same work. Thus, Federal work attracts less competition—and higher winning bids.

The act is incapable of equitable administration. There are simply too many judgment calls required, too many indeterminate concepts. As a result, its administration is a mess and its wage rates are arbitrary and inconsistent. Responses to the Department of Labor's wage surveys are voluntary and the Department does not verify any of the data it receives.

The Davis-Bacon Act is demonstrably unnecessary. Labor leaders warn that construction workers would be victimized and exploited without Davis-Bacon. Despite the rhetoric, unionized construction firms do compete effectively in many private markets which are not covered by the Davis-Bacon Act. Moreover, since the enactment of Davis-Bacon in 1931, other labor protection measures have become law, thus giving construction workers the same protections which are afforded to other workers in other industries.

At a time when every American is being asked to sacrifice something in order to protect our children's future, it would be unconscionable to let Davis-Bacon continue to exist. Davis-Bacon may have had its time and purpose, but those are long since past. Now the act is just another expensive governmental burden to the taxpaying citizen. I urge my colleagues to join me in supporting repeal of the Davis-Bacon Act.

Mr. Speaker, I include the following for the RECORD:

[From NBC Nightly News, Oct. 11, 1995]

THE FLEECING OF AMERICA/THE DAVIS-BACON ACT

Tom Brokaw. Time now for our regular Wednesday feature about your money and how your government wastes it. Tonight, how phantom construction projects are driving up the cost of real buildings.

NBC's Robert Hager has details now in this Fleecing of America.

Robert Hager. Mustang, Oklahoma, a rural town in the nation's heartland with a brand new $2 million underground storage tank. But where is it.

Jim Morgan [City Manger]. No, this is not a underground storage tank.

Hager. In fact, the underground tank was never built, needed or even proposed. It only exists in these documents, federal wage survey forms, fraudulently submitted to the U.S. Labor Department, complete with fake salaries and fake jobs, intended to persuade the government to set higher construction wage scales for that area. Remarkably, it worked.

And since until recently by law, Oklahoma had to pay using the same wage scales, the state labor commissioner is furious, saying the fraud is costing taxpayers there millions of dollars.

Brenda Reneau [Oklahoma Labor Commissioner]. The wage rate for this area was based on that non-existent or ghost project.

Hager. A federal law, the Davis-Bacon Act, requires that construction workers on almost all U.S. government projects, be paid the prevailing or going salary for a specific region. Those salaries are set by the wage survey. But critics say many of those surveys are being rubber stamped without any checking.

In Oklahoma, the impact on the state's wage rate is tremendous. A backhoe operator whose salary was 8.40 an hour started getting $22 an hour. A truck driver whose salary was 7.30 got $15 an hour. Total additional taxpayer cost, $21 million.

On Capitol Hill there's concern.

Rep. Cass Ballenger [R-North Carolina]. If they found out in Oklahoma that you could get away with cheating, it's not a secret they must have kept in Oklahoma. It's got to elsewhere in the country.

Hager. And NBC News has learned the FBI is now investigating. Because of this, the U.S. Labor Department says it's limited in what it can say.

Thomas Williamson [Labor Department Attorney]. We take very seriously allegations of fraud that call into question the integrity or accuracy of any wage surveys used by the David-Bacon program.

Hager. In Oklahoma, more fakery. Someone wanted to double pay for asphalt workers, so a form was sent to the U.S. Labor Department claiming asphalt workers had made big wages to resurface a parking lot. But a look today reveals it was never paved with asphalt. Another survey detailed high wages to put up a building at a water treatment plant. But a look today reveals no building to be found, only barbed wire. Now, because of continued abuse, the U.S. Labor Department has withdrawn the prevailing wage rate for Oklahoma.

And because she first raised questions of fraud, the state labor commissioner's life has been threatened. But that's not stopping her.

Reneau. It's fraud. It's fraud at the fullest extent.

Hager. No one has been charged yet, but there's growing concern that the system of setting wages on U.S. government construction projects is so flawed that it's fleecing taxpayers of hundreds of millions of dollars.

Robert Hager, NBC News, Washington.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

[Mr. JONES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.