

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 It is the perfect example of an outdated, expensive and unnecessary law.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 Manager]. 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 Davis-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 gentleman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

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

MEDIA OWNERSHIP AND OTHER ISSUES FACING AMERICA

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

Mr. SANDERS. Mr. Speaker, as the only Independent in the Congress, what I want to do is take a few minutes to discuss some of the major issues facing this country, issues which often do not get the time and exposure that I think that they need.

The very first issue that I would like to touch upon deals with how the American people get the information that they need in order to formulate intelligent decisions in our democracy. I am increasingly concerned about the rapid concentration of ownership within the media in America today. It should be a real concern to all Americans that all of our major television networks are owned by very, very powerful and wealthy corporations who very clearly have a conflict of interest in terms of what they present on the air. Rupert Murdoch, a multi-billionaire right-wing individual, owns the Fox Television Network. ABC has recently been purchased by Walt Disney whose chief executive officer earns several hundred millions of dollars a year and is one of the wealthier people in America. CBS will now be owned by the Westinghouse Corp. NBC is owned by General Electric. I think what we have got to ask ourselves, are corporations like these going to provide objective information to the American people? I think the answer is very clearly no, and I think the situation in terms of corporate ownership of the media is going from bad to worse. Fewer and fewer large corporations are controlling not only the television, controlling the radio industry, book publishing, newspapers, et cetera.

Mr. Speaker, I would raise a particular concern that recently, just in the last week or so, we learned that the Jim Hightower radio show has been taken off the air by ABC. To my mind, the Hightower show was one of the more provocative and interesting radio talk shows in America. It was a progressive show. I think it was a very good antidote to the Rush Limbaugh and the G. Gordon Liddy types, and I am concerned about its disappearance from the air.

Mr. Speaker, the second issue that I want to talk about which also does not get a whole lot of discussion is the re-

ality that is facing middle-class America and the working people of this country.

□ 1945

To my mind, the most important economic issue facing this country is that the standard of living of the vast majority of our people has declined since 1973. I get very tired of reading newspapers that tell us about how good the economy is, how the economy is booming, how we are creating new jobs, how the gross national product is going up. All of those figures are fine, but they are irrelevant in terms of what is happening to the average American worker.

The fact of the matter is that since 1973, 80 percent, repeat, 80 percent of American working people have seen either a decline in their real inflation-accounted-for-wages or, at best, economic stagnation. The middle class is shrinking. Poverty has increased significantly over the last 15 years.

On the other hand, what has happened is the very wealthiest the people in this country have seen a tremendous increase in their incomes.

I wonder how many Americans know that right now, today, the United States of America has by far, by far, the most unequal distribution of wealth in the industrialized world. No, it is not Great Britain with their queens and their dukes and their barons and their strong class-based society which has the most unequal distribution of wealth. It is the United States of America.

With the rich growing richer, the middle class shrinking, and the poverty increasing, we now have a situation where the richest 1 percent own more wealth than the bottom 90 percent, which is 1 percent or more wealth than the bottom 90 percent. No matter how you slice it, "That ain't fair." It is not what America is supposed to be.

Very clearly, NEWT GINGRICH's Contract With America, which will give huge tax breaks to the richest people in this country, which will, in effect, do away with taxes for the largest corporations while cutting back on all the needs of working people, low-income people and the middle class, will only make that situation even worse.

Let me very briefly, Mr. Speaker, touch upon some of the areas that I think we have got to move in if we are going to revitalize American democracy, if we are going to increase voter turnout, if we are going to make the American people feel—well, Mr. Speaker, it looks like I am not going to get to those issues. We will try again next time.

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

[Mr. BURTON of Indiana 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 Washington [Mrs. SMITH] is recognized for 5 minutes.

[Mrs. SMITH of Washington addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. SMITH of Michigan 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 California [Mr. RIGGS] is recognized for 5 minutes.

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

INTRODUCTION OF LEGISLATION TO REFORM DAVIS-BACON

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

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to discuss an issue that was previously discussed by my friend and colleague, the gentleman from North Carolina [Mr. BALLENGER], dealing with the Davis-Bacon legislation. There are many on my side of the aisle that would like to totally repeal this legislation and put at risk those construction workers across America whose quality of life and skilled craftsmanship directly depends on this important piece of legislation. There are many in the Republican Party who disagree with that premise but who do believe that reform of this rather outdated law in terms of its threshold level needs to be reformed and revised.

Mr. Speaker, with that in mind, over the past several months a group of us have, in fact, come up with a piece of legislation to reform Davis-Bacon. This piece of legislation I introduced today with the cosponsorship of 27 Republicans and the support of organized labor across the country as well as many of the largest contracting corporations in America.

Mr. Speaker, this legislation, in fact, does allow us to reform Davis-Bacon. It allows us to deal with the extremely low threshold of \$2,000 and raise that in a significant way. In fact, similar legislation was already introduced in the Senate in the form of S. 1183, which also enjoyed the support of the labor movement in this country.

Like S. 1183, my bill will raise the current \$2,000-and-above threshold for