

RESOLUTION PASSED BY THE NAACP AT ITS ANNUAL CONVENTION, JULY 1993

V. LABOR AND INDUSTRY

1. Davis-Bacon Act—Concurred.

Whereas, people of color have entered the construction industry in increasing numbers in the past. Today, they are threatened with the loss of many of the economic and social gains made over the last several years; and,

Whereas, the Davis-Bacon Act of 1931 protects the wages of all construction workers, including minorities and women, who are particularly vulnerable to exploitation; and,

Whereas, shocking examples of the exploitation of minorities and female workers on the construction site, even in the face of the Davis-Bacon Act, the law designed to prohibit such exploitation, are legion,

Therefore, be it resolved, that the NAACP supports the Davis-Bacon Act, takes steps to strengthen its enforcement, and supports the creation of opportunities through training and apprenticeship programs.

A 1991 wage survey by the Department of Labor, reveals that the percentage of minorities employed by Federal contractors was 20.12 percent as opposed to nonfederal projects of 20.56 percent. A difference of 0.4 percent in three categories, craftsman, operators, and laborers. Federal contractors have a higher percentage of minorities participation than nonfederal contractors. This also goes against the Senate report language which states that Davis-Bacon protects small businesses, especially minority small businesses, from being undercut in labor costs by large contracts.

Davis-Bacon makes no distinction between race, gender or other characteristic. It simply requires an employer pay a prevailing wage, a fair wage. That is it.

The next argument is that Davis-Bacon is a union wage. In the State of Texas we are a right to work State which prevents anyone from being forced to join a union. Contractors, the perfect example of small business, the engine of job creation, are the only respondents to job surveys that are sent out by the Department of Labor. Wage surveys are sent out and in a geographic area to obtain the wage and benefits paid by contractors and subcontractors. They are not sent to union halls or to union officials.

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Mr. Speaker, I want to stress the fact that at no time does a union official send in a wage survey. It is actually the employer who sends them in. A contractor who decides on his own to be a union contractor obviously sends in that survey, but he does not represent the union.

On the form contractors use to report wage information, form WD 10, it calls for a contractor to respond. There is no area for a labor leader or any other labor representative to respond.

The process allows contractors of all sizes in a geographic area to decide what level they will pay their workers, while protecting the job market from large multistate contractors. In recent surveys on building trades, the Department of Labor showed that 38 percent

of the respondents were union, 38 percent.

To say that this wage is union wages is just not correct. If that is to say that 38 percent make up the distinction on this survey by the Davis-Bacon source book, then we Democrats in the House are now in the majority, Mr. Speaker, because we could control it with 38 percent.

We should not run headlong into repealing a law that for 60 years has stood in its stead. It is based on falsehoods and wishful thinking, particularly that Davis-Bacon was based on racist assumptions, and also that it is a union wage that they are saying, with 38 percent only provided.

Studies of 10 States where 50 percent of the highway and bridge construction occurs reveals that workers paid double that of low wages built 74 miles more roadbed and 32 miles more bridges for \$557 billion less. My colleague, the gentleman from California, pointed this out, and I am proud to be here tonight with my colleagues, not only from Connecticut and California, but myself being from Texas, to talk about the benefits that we have by having a prevailing wage in Davis-Bacon being on our books since 1931.

REPUBLICAN PROGRAMS REFLECT THE TRUE PARTY OF THE MIDDLE CLASS

The SPEAKER pro tempore (Mr. DUNCAN). Under a previous order of the House, the chair recognizes the gentleman from California [Mr. CUNNINGHAM] for 5 minutes.

Mr. CUNNINGHAM. Mr. Speaker, I have heard some of my Democratic colleagues talk about the Contract With America. They say it is detrimental, but if you look at those Members that are saying that, those are the same Members that voted against the balanced budget amendment.

If you look at the Contract With America, on the items that we have covered so far, take a look at the history of this House. Have you seen votes as fast and as many Republicans and Democrats supporting those Contract items?

Congress falls under the same laws, the balanced budget amendment, the line-item veto, unfunded mandates, 290 votes to 340 votes, Mr. Speaker; bipartisanship. Who voted against that bipartisanship? The liberal and socialist Members of the Democratic party. Even members of their own party have separated themselves from the liberal leadership.

If you take a look at those who voted against it, the gentleman from Missouri [Mr. GEPHARDT], the gentleman from Michigan [Mr. BONIOR], the gentleman from California [Mr. FAZIO], why? Because they support big government, government doing everything for everybody. The only way they can do that is to have a big bureaucracy, and to support that big bureaucracy, they

have to increase taxes and increase spending.

Mr. Speaker, the rhetoric; the gentleman from Missouri [Mr. GEPHARDT], years and years and years, I have the documentation, every single tax vote that the minority leader now claims that, It is only for the rich, and we are trying to help the poor, I have the records. That is the same rhetoric since 1970.

Each time, the Democratic package, including the Bush package, would resolve that. However, here again, he is saying the same thing.

I look at our two California Senators that hid behind the balanced budget amendment and say they were trying to protect Social Security, but yet in the Clinton tax package those same two Senators in the liberal leadership, those same Members of this body that I just mentioned, voted for the Clinton tax package, which increased the tax on Social Security. Yet, our two Senators on the other side are hiding behind that, for the balanced budget amendment.

Mr. Speaker, I look at what we have done in the past, and the rhetoric. I look at a Clinton tax package in which there was a promise of a middle-class tax break, a promise not only in the campaign, but before the actual budget came forward, and what happened?

Remember the great Btu tax and the Clinton tax package? There was not going to be any middle-class tax in that. I heard liberal Democrat after liberal Democrat come up and say, There is no tax increase in the Btu tax, there is no tax increase for the middle-class in this tax package. America did not buy it, and you passed a bill that was so bad that after 45 minutes of closing the clock and twisting arms, you passed it by 1 vote, when then Speaker Foley shut down the clock, twisted arms until you could pass that bill.

The rhetoric? \$600 billion in new taxes and fees, a defense cut of \$177 billion, and sure, you can apply some of that to the deficit, but in that you increase the tax on Social Security, you cut the veterans' COLA, so who is really playing the rhetoric?

The bottomline, Mr. Speaker, is that the middle-class marginal tax rate went up under the Clinton budget. Every Member that is speaking here against the Contract not only voted against the balanced budget amendment, but voted for that Clinton tax, which increased the marginal tax rate of the middle-class from \$17,000 and above, yet they say they are the party of the middle-class?

A balanced budget, Greenspan has said, will bring interest rates down by 2 percent. That will provide capital. Take a look at the items that we wanted to do: capital gains reduction, that is only for the rich? Malarkey. America sees through that, and they support a capital gains reduction.

Where we want to limit the amount of growth, growth is projected by over

50 percent in spending by the year 2002. We want to limit growth to 30 percent. Yet, the tax and spend liberals said, We are cutting these programs, we are limiting the growth.

We are not cutting any programs, Mr. Speaker. I take a look at the minority leader, I take a look at the socialist leadership in the Democratic Party, and I am glad they are in the leadership, because even in their own party, from the Black Caucus, from the liberal leadership, those Members have separated themselves from that kind of rhetoric that we can no longer afford, give me more society that will not accept responsibility for their own actions.

URGING MEMBERS TO SUPPORT MAINTAINING THE DAVIS-BACON ACT

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

Mr. BECERRA. Mr. Speaker, I would like to first begin by thanking several of my Democratic colleagues who came here tonight to speak in support of the Davis-Bacon Act, which now is in jeopardy of being repealed by the new Republican majority.

Mr. Speaker, I want to thank them, because this is an issue which goes directly to my family situation and to my heart. My father is someone who had the chance to benefit from the Davis-Bacon Act. My father is a retired construction worker, a road construction worker. Many of the roads that people use in California, from Highway 5 and other highways that were constructed in the big days of the sixties and seventies, those roads were constructed in part by men like my father.

My father never earned a lucrative wage, but he did earn a decent wage. This is, in my opinion, an Act, the Davis-Bacon Act, which made it possible for my family to have some security and some decency in its living standards. I know when I speak on behalf of those who support the Davis-Bacon Act that I speak not just for them, but also for my father.

Mr. Speaker, to repeat what some of the Members have said before, the Davis-Bacon Act is an act that passed in 1931. It was an act that passed through the sponsorship of Republican legislators and was signed by a Republican President.

The law merely mandates that taxpayer dollars go to contractors who offer the greatest quality craftsmanship, the highest productivity, the quickest turnaround, and the best management. The primary purpose of the law is to assure that by requiring the payment of locally prevailing wages, that Federal spending practices do not undercut the wages of hard-working people, and that they do not put local contractors and their employees in an unfair competitive situation.

Individual and industry contractors benefit, because in discouraging competition that would be based on the payment of substandard wages, the act promotes a greater availability of skilled construction workers. The act, by enduring more stable and predictable wages, facilitates the recruitment, the training, and the retention of skilled construction workers.

Mr. Speaker, let us talk about who loses if the Davis-Bacon Act is repealed. More than a half a million construction workers would suffer reduced earnings and a lower standard of living if the act were to be repealed. Individual construction firms and the construction industry as a whole may also lose if conscientious contractors are forced to compete with the fly-by-night and low-balling contractors who pay depressed wages and offer workers no benefits.

Taxpayers would lose if the act is repealed. Given the way labor markets operate, savings to be achieved through lower wages would be offset by the lower productivity of less skilled and less experienced workers. Their work product, roads, bridges, building, then become the public's responsibility. If the work product is of low quality, then that is a consequence that taxpayers will be forced to live with.

Mr. Speaker, repeal of the Davis-Bacon Act is not a money saver. Contrary to what the Republican majority is saying these days, repeal of Davis-Bacon would not automatically save the Government money, because well educated, well-trained, and fairly paid workers are more productive than their poorly-trained low paid counterparts. They often bring in projects at less cost than those using low-wage workers.

Repeal of Davis-Bacon also threatens worker safety. When productive, skilled, properly-trained labor is hired at a Davis-Bacon wage, safety and health are also hired. The use of untrained, poorly-skilled workers results in a higher occurrence of injuries and fatalities on the Nation's job sites.

Repeal may also threaten public safety, as poorly trained workers are more likely to make dangerous mistakes.

Mr. Speaker, what would happen if Davis-Bacon were repealed? Each construction worker would see his or her annual income fall by about \$1,477. That may not seem like a lot to some people, Mr. Speaker, but think of it this way. \$1,477 pays for about half a year's worth of groceries for an average American family.

For my family when I was growing up, and my father and my mother were working hard, that was a tremendous amount of money. It would have affected the way we lived and the standard of living that we were able to have, which was very meager. It would have affected it greatly.

Members of Congress have supported the Davis-Bacon Act in the past on a bipartisan basis. I hope, Mr. Speaker, that we have that same bipartisan sup-

port for this particular act, because quite honestly, it helps American because it helps America's workers and American's contractors.

I would hope at this time, Mr. Speaker, that we would see the value in maintaining the act and move forward from there.

Ms. ESHOO. Mr. Speaker, it puzzles me why the Republicans are determined to repeal the Davis-Bacon Act. After all, this law has its origins in State initiatives, was written by two Republicans, and has been declared successful by a leading Republican economist. If this isn't a winning combination as the majority defines it, then what is?

Despite current GOP claims to the contrary, the Davis-Bacon Act is based on years of State experience with prevailing-wage standards prior to its passage by Congress. Back in 1891, Kansas adopted the country's first prevailing-wage statute, and at least six other States had passed similar legislation before the first prevailing-wage law was introduced in Washington.

By the late 1920's, Republicans in Congress were extremely concerned about increasing incidents of cutthroat Federal bidding by fly-by-night contractors using low-wage labor. With shoddy construction threatening massive Federal building programs, Representative Robert Bacon—a New York Republican—introduced the forerunner of the Davis-Bacon law.

With the help of Senator James Davis—a Republican from Pennsylvania and former Labor Secretary under three Republican Presidents—the Davis-Bacon Act was eventually passed and signed into law by President Hoover in 1931.

Since that time, the Davis-Bacon Act has proven to be a remarkable success for local communities, minorities, and American taxpayers.

Local communities have benefited because their wages have been protected against low-balling, out-of-State contractors, while their economies have been enriched by residents maintaining enough purchasing power to keep locally owned businesses thriving.

Minorities have benefited from the Davis-Bacon Act's protection of wage gains made over the years, and become heavily employed in the construction industry because of the decent wages it pays.

In addition, the percentage of minorities employed by Federal contractors is higher than the percentage of minorities employed by non-Federal contractors, which reflects the positive impact Davis-Bacon has had for minority workers.

Finally, Davis-Bacon has benefited American taxpayers. Dr. John Dunlop—Secretary of Labor under President Ford—has concluded that any additional costs incurred by paying prevailing wages have been offset by better quality, productivity, timeliness, and reliability on Federal projects. It's vital for our bridges, schools, dams, nuclear waste removal projects, military installations, and super-highways to continue to be built to the highest specifications by the most qualified, well-trained workers available—and the Davis-Bacon Act ensures that will happen.

Mr. Speaker, for over 60 years, Davis-Bacon has been an unqualified success. It must be preserved.

Mr. ENGEL. Mr. Speaker, the opponents of the Davis-Bacon Act have mounted an attack