

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colleagues who came here tonight to speak in support of the Davis-Bacon Act, which now is in jeopardy of being repealed by the new Republican majority.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

to repeal a law that helps American workers. This is nothing more than an effort to pull the rug out from under working people. As the son of a dedicated ironworker, I resent this shameful union bashing and the implication that the workers of this country are not entitled to a decent wage for their labor.

Davis-Bacon is a law that actually strengthens our economy and helps America. Contractors and American workers both benefit from its provisions. I ask you to consider these facts:

Repealing Davis-Bacon will result in lower wages for half a million Americans. Construction workers in the United States who currently receive prevailing wages could lose \$1,400 annually if Davis-Bacon is repealed. The average annual earnings of a construction worker is \$28,000. Isn't this the type of middle-class American that we should protect rather than punish?

The prevailing wage law actually generates benefits to local communities 2.4 times the amount spent on a construction project because workers spend their money locally and pay local taxes. Repealing Davis-Bacon could result in the widespread importation of non-local, low-wage workers, causing an adverse effect on local economies.

According to a study conducted by the University of Utah, repeal of the Davis-Bacon Act will reduce Federal tax collections by \$1 billion per year because of the decline in construction earnings, while simultaneously causing a massive increase in cost overruns. In States that have repealed their little Davis-Bacon laws, construction costs have risen because of substandard work that must be redone when less skilled workers are used on the projects.

Davis-Bacon does not require contractors to pay union wages. 70 percent of the prevailing wage schedules are not union wage rates, yet still allow a fair wage to be paid in the local area to middle class workers.

The Workers Protection Subcommittee of the House Economic and Educational Opportunities Committee hurried the markup of the repeal of the Act without adequately considering its ramifications. The Subcommittee did not even allow the Secretary of Labor to testify.

It's time to bring some reason to this issue. At a time when the middle class is feeling the crunch in our economy, the repeal of Davis-Bacon would adversely affect the workers that are a productive and important segment of our society. I strongly urge you to fight any attempts to repeal this Act. By doing so, you will be working to keep our construction industry competitive and viable.

Mr. RAHALL. Mr. Speaker, I rise in support of the continuation of the prevailing wage laws embodied in the Davis-Bacon Act, and against repeal of this vital act.

As you know, Mr. Speaker, on March 2, 1995, the Subcommittee on Worker Protections, so-called, voted to repeal the Davis-Bacon Act. They did so without a single member of the minority membership being present, an action that is, in and of itself, unprecedented in recent memory. The Democrats, refusing to be a party to the demise of the Davis-Bacon Act at the hands of their colleague in the other party, walked out in protest.

The Davis Bacon Act has been in effect since 1931, and 32 States have their own Davis-Bacon Acts, with 9 States having repealed previous State statutes. Perhaps be-

fore taking any further action to repeal Davis-Bacon, all Members should take a look at what has happened in the nine repeal States.

A recent, February 1995, study conducted by the University of Utah, one of the nine States having repealed their State Davis-Bacon Act, showed that:

First, it resulted in driving down construction earnings and the loss to the State's coffers of substantial income tax and sales tax revenues.

Second, as a result of the repeal of the State statute in Utah, the size of total cost overruns on State road construction tripled, and there has been a major shift to a less-skilled labor force, lowering labor productivity along with wages, and increasing injuries and fatalities in the workplace.

Third, looking at all States, the study found that repeal cost construction workers in the nine States at least \$1,477 per year in earnings.

Fourth, the nine State repeals have reduced construction training in those States by 40 percent.

Fifth, minority representation in construction training has fallen even faster than have the training programs in repeal States.

Sixth, occupational injuries in construction rose by 15 percent where State prevailing wage laws were repealed.

Based on the above six findings, the study concluded that Federal income tax collections would fall by at least \$1 billion per year in real terms for every year for the foreseeable future—if the Federal Davis-Bacon Act were repealed.

The University of Utah's study concluded further that: At the Federal level, construction cost savings would have to be very high indeed to generate any budget benefit from a repeal of the Davis-Bacon Act because of the Federal income tax structure. For example, using a conservative estimate of 3 percent construction cost savings with a 20 percent marginal tax rate (based on the 1991 level of Federal construction spending), the Federal Government would lose \$838 million per year by repealing the Davis-Bacon Act.

For those who falsely claim that a repeal of the Davis-Bacon Act would reduce the deficit, they are wrong—the above-cited study showed that a repeal will raise the Federal budget deficit, because the purpose and effect of a repeal is to lower the cost of wages on federally funded construction projects—which in turn lower wages and earnings. Proponents of the claim that repeal would lower the deficit are wrong also because the study found that the lower cost of wages cannot be isolated to federally financed public works—because in fact such wages would decline across the entire construction labor market causing the Government to lose more in income tax revenues than it would gain in construction cost savings.

Mr. Speaker, the repeal of the Davis-Bacon Act is not about reducing the deficit, or saving construction costs in federally assisted projects. It isn't about lowering wages so that more people can be employed.

It is about union busting.

The Act does not—I repeat does not—require that collectively bargained (union) wages be paid unless such wages also happen to be the prevailing wage in the locality where the work takes place. Davis-Bacon isn't about unions—although unions have made Davis-

Bacon work by stabilizing the construction industry, keeping fly-by-night operations from operating; keeping health and safety standards in effect, and assuring that all workers, including apprentices, are well-trained and able to contribute to cost-effective productivity at the work site.

Davis-Bacon assures that federally assisted construction projects are completed by well-trained, decently-paid workers, not store-front operations who use poor workmanship and shoddy materials—meaning higher maintenance costs and costly rehabilitation and repairs down the line. It means fewer cost overruns that drive up the total cost of construction.

For many years Congress has made efforts to protect the working men and women in construction and other industries by assuring that they are paid the local prevailing wage, and particularly for projects that are paid for out of Federal funds. Now that there has been a shift in the majority parties in Washington, the repeal effort is in full force and is being pursued with vigor by opponents of the Act.

I believe that a repeal of the Davis-Bacon Act, would be a betrayal to all who are affected by the construction industry, and that is every American. Most importantly, it would be a betrayal to the workers who rely on good wages for a decent livelihood.

I am diametrically opposed to the repeal of the Davis-Bacon Act, and I call upon the House of Representatives to continue the broad, bipartisan support that the Act has enjoyed to date by rejecting legislation to repeal Davis-Bacon.

GENERAL LEAVE

Mr. BECERRA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the topic of this special order, the Davis-Bacon Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REPUBLICAN PROPOSAL ON THE SCHOOL LUNCH PROGRAM WILL SPEND LESS MONEY ON BUREAUCRATS AND MORE MONEY ON CHILDREN

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

Mr. DUNCAN. Mr. Speaker, I do not serve on the Economic and Educational Opportunities Committee, but the Republicans on that committee voted a few days ago to increase spending on the School Lunch Program from \$6.7 to \$7.8 billion over the next 5 years.

I repeat: the Republicans voted to increase spending on school lunches.

Yet headlines all over this country said, "Republicans vote to end School Lunch Program."

Now, millions of Americans have a totally false impression that Republicans have killed the School Lunch Program.