

Mr. Speaker, one final thing on this tragedy that I have done more hard work on than most Members that I know around here, and I am sick and tired of getting my motives questioned and my integrity challenged with vile words like "hater" and "bigot" and "prejudice." I went up to the Armed Forces Medical Intelligence Center.

When I got on the Permanent Select Committee on Intelligence 8 years ago, I made up a list of all of the intelligence operations around this Nation and around the world that I would visit. Unfortunately, I put way at the bottom of the list, medical intelligence. I thought it was like the museum that I dearly enjoyed at Walter Reed, going back to the conquering of yellow fever and the building of the Panama Canal, which a young colonel named Walter Reed eventually lent his name to this largest of all Army hospitals in the world.

I have looked at some of the historical things at Bethesda, but I just had not gotten up to Fort Detrick, MD. Finally I went up there, because someone in the Permanent Select Committee on Intelligence upstairs said they give a frightening briefing on the growth of AIDS around the world.

I think I told our Speaker pro tem, a fellow Air Force officer, I think I told him this in the Cloakroom, and if I did, forgive my advancing years here in retelling something, but the nation of Zimbabwe is no longer fit, I say to the gentleman from Florida [Mr. STEARNS] for U.N. peacekeeping or peacemaking duty. They infected so many people in the torn country of Somalia that Boutros Boutros-Ghali has said, "You are not fit for U.N. service anywhere in the world any longer."

Zimbabwe is about to be quickly followed by Uganda, by Kenya, the jewel of all the British-African possessions, where the late Bill Holden still has his beautiful camera safari at Treetops Lodge. Kenya is about to be blackballed for any future service, written off. Guess why? Zimbabwe two commanders ago, their General Shalikashvili died of AIDS. The last commander after him died of AIDS. The current commander is infected with HIV, as is 75 percent of his officer corps, 75 percent of his NCO corps, and 75 percent of his Air Force and line soldiers. That is three out of four. I did not say 7.5; 75 percent are infected with AIDS in Zimbabwe. Is this incredible? The whole army is going to die off soon.

I have a point here. When Uganda and Chad and Kenya and Rwanda and Burundi and Malawi and all of the rest of the countries in that terrible belt south of the Atlas Mountains and north of South Africa, but now it is starting to rip into South Africa, the evil of apartheid was a false break because of cruelly restricting the free flow of peoples, and it kept out AIDS for a while. Now is tearing apart South Africa.

Of course, Rhodesia is the other white enclave that held out. It changed

its name to the ancient city of Zimbabwe when it achieved its independence. Get this, Mr. Speaker. If Zimbabwe cannot pull a duty in Bosnia, guess who is going to be asked to ante up more than our fair share? The United States of America, Great Britain, France; countries where, when somebody has HIV, they are no longer worldwide deployable, they are no longer combat trainable, they will never drive a tank, a truck, fly a plane, a helicopter, or sail on a ship or under the waters in a sub.

That is why I am trying to make our military 100-percent HIV-free, and lavish love and medical attention on the regiment size of 1,000 people that we have left, put them in the VA and make sure they get equally, if not better care, than they get right now on active duty when they admit, when they are honest, that they are not pulling their load or their fair share.

How can we go from 1,400,000 Americans on active duty all the way down to where we are now, and keep on active duty the people that are infected, while we are putting healthy men and women out of active duty? This nightmare of world AIDS' exponential growth is not being discussed in this Chamber or in the U.S. Senate, one, because it involves that potent little word, s-e-x, but mainly because the people that have a grip on what should be the truth about this epidemic, and how it is spread by heterosexual behavior and conduct, promiscuous conduct and lack of sanitation worldwide, and in this country, which is the most sanitary Nation in the world, without a question of Europe, driven mainly by homosexual conduct and behavior.

Mr. Speaker, I appreciated this time set the scene for my point of personal privilege, question of personal privilege on the floor, where I will defend my honor, defend my heart which I believe to be pure, and explain why I know more about AIDS and HIV than any Member of the House or Senate, including the three forced-out-of-privacy homosexuals that still serve in this Chamber. I know more than they do, and I know what the truth is on how to save hundreds of thousands of more young Americans, mostly males, from dying in the next decade, since we did such a pathetically poor job in educating young people on how not to kill themselves in this last decade.

#### BENEFITS OF THE DAVIS-BACON ACT

The SPEAKER pro tempore (Mr. STEARNS). Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, on May 22 of this year, the Senate, the other body, heeding the voices of more than 21,000 construction contractors and millions of American workers throughout the Nation, voted to reject any plans to repeal the Davis-Bacon Act.

By the overwhelming margin of 99 to zero the Senate endorsed bipartisan reform to preserve Davis-Bacon.

I think that is very significant that the Senate, the other body in this Congress, has taken a strong stance in favor of reform, with the assumption that any law, any institution, any structure would benefit from reform. But the Senate is not following the lead of the House and demanding that there be a repeal of the Davis-Bacon Act.

I think this is a vindication of the system that was set up by the Founding Fathers when they said that we needed two Houses, one which could accept, and the analogy was made of the saucer and the cup, the pouring of tea or coffee into a saucer to cool it off; and the other, of course, would generate the heat that is in the cup.

I think the House of Representatives is a body where there is a great deal of heat and energy. We have 435 Members, after all. When you multiply even the minimal energy of one person by 435, you get a great deal of heat and energy.

The heat and energy in this body sometimes spins out of control. We need the wisdom and the patience of the Senate to sometimes bring us back to reality. I want to congratulate the Members of the Senate, all 99 Members who voted that Davis-Bacon should not be repealed, that the Davis-Bacon Act should be reformed.

Mr. Speaker, I stand before this body, and today I would like to dispel the myth that the prevailing wage determination in the Davis-Bacon Act is inflationary, and that it adds billions of dollars to the Federal budget.

I have talked before about Davis-Bacon and racism. Davis-Bacon is not the source of racism. If there is racism in the construction industry, Davis-Bacon is certainly not generating or not nurturing it. Davis-Bacon is the antidote. Davis-Bacon has done more to counteract the impact and the effects of racism than any other Federal law or local law on the books.

It is through Davis-Bacon that we have maximum cooperation between unions and contractors, and through the maximum cooperation of unions and contractors that we have gotten the kind of training programs that have begun to slowly but surely and steadily increase the number of minority workers who are qualified in the various skill areas in the construction industry.

Prevailing wage laws were enacted to maintain community wage standards. They were enacted to support local economic stability, and they were enacted to protect taxpayers from substandard labor on State and Federal projects. These laws set clear parameters to ensure that contractors bid on public projects on the basis of skill and efficiency, and not on how poorly they pay their workers.

As I have stated before, Davis-Bacon was created by two Republicans. Both

Davis and Bacon were Republicans. Both Davis and Bacon were concerned primarily about the middle class. Both Davis and Bacon were concerned about families and communities. The Davis-Bacon Act, when it was created in the early 1930s, was there to help stabilize communities. It was there to guarantee that families are not destabilized, and families are not subjected to the kind of wild things that happen when you can transport workers from one area under substandard wages and pay them substandard wages and be able to have unscrupulous contractors bid on projects at very low levels, and take over the work of the local contractors, who are paying good wages to local workers who are part of a local community and stabilize that community.

That was what we were trying to avoid in the early 1930s. Davis-Bacon continues to help to stabilize communities and to guarantee that the pool of construction workers, their skills, and their incomes will be there to help stabilize their families and their communities.

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Unfortunately, the House Republicans, the Republican majority here in this House, is driven by antiunion hysteria, which I do not understand. There is some kind of contract with an unscrupulous group of contractors, I think, in the case of Davis-Bacon, because they will not let up.

Certain House Members keep going and they refuse to recognize the facts. They come from areas that are certainly not paying very high wages. If you look at the Davis-Bacon wages of the areas that many of the Republican majority Members come from, you will find that they are very low wages and sometimes close to minimum wages. And they cannot really complain about Davis-Bacon driving up the cost of local construction. But the facts do not seem to matter. There is a kind of hysteria determined to reverse the fair and equitable standards that Davis-Bacon has established.

They have worked themselves into a feeding frenzy, and they made absurd charges about Davis-Bacon. Davis-Bacon is racist. These charges are made by people who normally are not concerned with racism, but they use this as a charge to be able to belittle and denigrate Davis-Bacon. They also charge that contractors are forced by Davis-Bacon to pay inflated wages, and that this has been the result of what Davis-Bacon has accomplished.

The gentleman from Pennsylvania [Mr. GOODLING], who is the chairman of our Committee on Economic and Educational Opportunities, appearing before the appropriations subcommittee on the Department of Labor, Health and Human Services earlier this year, stated that quote, quoting representative GOODING, the chairman of our committee: The 1931 Davis-Bacon Act drives up construction costs for any Federal construction projects valued

over \$2,000 by requiring contractors to pay a government-determined wage rate.

Chairman GOODLING's remarks before the appropriations subcommittee is proof positive that Republicans are not ready to really listen to the facts and take responsibility for leading this body in a move to have labor and contractors, labor and management come together for the benefit of stabilizing communities and for the benefit of stabilizing workers whose families very much need this kind of stability.

The actual wages of construction workers is going down. They are as much a part of the wage gap and the wage stagnation in America as any other set of workers. If you take away Davis-Bacon, many of them will be subjected to violent swings in the conditions that set their incomes and their salaries.

The Republicans have put on a sneak attack and fright campaigns in the hope that the American people will buy into a conspiracy theory, a theory that Davis-Bacon is out there conspiring to drive up the costs by guaranteeing workers something that is unreal. Chairman GOODLING suggested that there is some kind of institutionalized and entrenched collusion at the Department of Labor. And to quote him again, "There appears to be a deliberate effort to manipulate data for political gain." There appears to be a deliberate effort to manipulate data for political gain.

If you look at the Department of Labor and the history of the Department of Labor, if you examine the surveys that they do in determining prevailing wage rates, you will find that it is impossible to establish that there is any kind of collusion or any kind of conspiracy. In fact, there are many cases where the surveys done by the Department of Labor actually lower the wages of construction workers relative to the highest-paid workers in that particular area. I am going to talk about that in a few minutes.

Mr. Speaker, we have a booklet here which shows the results of some of the surveys that are done. They show that often the construction workers are paid below the wages of the average salary for workers in similar kind of jobs in given localities.

Further evidence of the dream world existence among the Republicans who are fighting Davis-Bacon is that many of them have bought into the party rhetoric that Davis-Bacon inflates wages. Again, this is our primary topic today, to look at the wages, look at what is really happening with Davis-Bacon wages. It comes as no surprise that many of the most vociferous foes of Davis-Bacon comes from States that have extremely low wage determinations which include no health or pension benefits. No only do we have in States like North Carolina very low wages paid to Davis-Bacon workers, workers who are covered by Davis-Bacon on Federal construction jobs,

but those workers, the same workers in those areas have no pension benefits, they have no health benefits.

I was in a hearing this morning covered by the Employer-Employee Relations Subcommittee of the Economic and Educational Opportunities Committee, and the hearing was focused on pensions. They pointed out the fact that there are only a small percentage of Americans who are covered by pensions. Two-thirds of the people do not have pensions of any kind beyond Social Security. For more and more people, the coverage for people is going down. There are more and more people who are uncovered as the years go by. We had more people covered 20 years ago who had pensions and pension benefits than have it now.

So there is a whole category of construction workers who not only have no health benefits; they have no pension benefits as well. These are the same people, the same people who want to criticize the Davis-Bacon prevailing wages also are the people who fought against the minimum wage. Minimum wage at least establishes a floor. Unfortunately, in many areas the Davis-Bacon prevailing wage rate is close to the minimum wage rate.

Minimum wage, as we have pointed out before, is too low. It is presently \$4.25 an hour, and we voted a few weeks ago on the floor of this House to raise the minimum wage. And after we raise it, if we get the other House to pass the bill, after we raise it, it will go from \$4.25 an hour over a 2-year period to \$5.15 an hour. This is very low, but there are many Davis-Bacon workers, people who are covered by Davis-Bacon who are very close to this minimum wage.

Mr. Speaker, how can \$4.25 an hour with no benefits be called inflationary by any rational and thinking person? How much longer can he go? At those rates, no one can support a family. Surely none of my esteemed colleagues would want to maintain that you can live on \$4.25 an hour, working 40 hours a week every week of the year. Construction workers, as we know, do not work on a regular basis like other folks. They have very uneven working periods due to the weather and a number of other factors.

So here we have a situation where the Republicans in the House, the Republican majority in the House is insisting that we must go ahead and do something radical again. We have a situation where extremism is the only answer to the problem. The Members of the Senate have looked at the problem, and they have said: We need to have some reform, and we are willing to go forward with reform.

But they did not say we need to be radical and extreme, and we need to repeal Davis-Bacon. They started with that discussion. There were people in the Senate who were maintaining that we should repeal Davis-Bacon.

What happened on May 22, 1996, just a few weeks ago? They started with a

discussion of a repeal of Davis-Bacon. And then it was proposed by Senator SANTORUM that they once and for all for this session of Congress decide that we are either going to repeal or reform. He was in favor of reform.

Senator SANTORUM, and I quote him, I quote him from an ad that appeared in Roll Call, and it is available for all who want to see it. Senator SANTORUM said, "We have just voted, we just voted on whether to repeal Davis-Bacon. Many of us are not for repeal of that. We believe that there need to be reform of the Davis-Bacon law and that we, in fact, should assume that for the purposes of the budget we are going to be reforming Davis-Bacon. I think there is bipartisan support for reform of Davis-Bacon. I wanted the Senate to go on record for that reform measure."

That is what RICK SANTORUM, a Republican from Pennsylvania, said on May 22, 1996, as a result of the leadership taken by Senator RICK SANTORUM, formerly a Representative from this body, a Republican, as a result of the leadership that he took the Senate voted 99 to 0 for Davis-Bacon reform, not repeal, Davis-Bacon reform.

The Senate voted for Davis-Bacon reform because they understand that Davis-Bacon should be kept alive and remain in force because it encourages the private sector to invest more than \$400 million in vital training programs, \$5.75 billion for privately funded health care, and \$4.3 billion for privately funded pensions. The Senate understood that Davis-Bacon is not racist.

In fact, national civil rights organizations and the Congressional Black Caucus strongly support Davis-Bacon because it provides training and employment opportunities for minorities through apprenticeship programs. Davis-Bacon does not mean union rates. Unfortunately, I do not think that is so great. I think we should have union rates because union rates are far closer to what reality is in terms of people needing a decent wage, because Davis-Bacon does not seek to solve that problem.

Davis-Bacon was not designed to solve the problem of collective bargaining, just as Davis-Bacon has nothing to do with racism or civil rights. It was not designed for that purpose. It has, as a byproduct, produced a situation where you have contractors and unions willing to work together. Because Davis-Bacon helps to stabilize the industry, you have had great benefits flow for civil rights for the improvement of the opportunities for minorities to work in the construction industry. But that is not what it is about. Davis-Bacon is not for civil rights, not designed to correct the problem of racism.

We need lots of measures to go to work on correcting problems of racism throughout our whole society, and certainly some problems within the construction area, but this is not what Davis-Bacon is designed to do.

Mr. Speaker, Davis-Bacon was not designed to replace collective bargain-

ing. Davis-Bacon does not mean union rates. Seventy-one percent of prevailing wage rates issued by the U.S. Department of Labor are nonunion rates. Eighty percent of the wage decisions issued by the Department of Labor contain a rate of \$10 or under. Davis-Bacon does not set the wage rate; it reflects existing community standards.

Mr. Speaker, I submit this statement of the Senate's vote, 99 to 0. It appeared in advertisement form in Roll Call.

I submit the material for the RECORD.

#### WHY DID THE SENATE JUST VOTE 99-0 FOR DAVIS-BACON REFORM?

On May 22, 1996, the United States Senate, heeding the voices of more than 21,000 construction contractors and millions of American workers throughout the nation, voted to reject plans to repeal the Davis-Bacon Act. By the overwhelming margin of 99-0, the Senate endorsed bipartisan reform to preserve Davis-Bacon.

The Senate voted for Davis-Bacon because: It encourages the private sector to invest more than \$400 million in vital training programs, \$5.75 billion for privately funded health care and \$4.3 billion for privately funded pensions;

Davis-Bacon is not racist. In fact, national civil rights organizations and the Congressional Black Caucus strongly support it because it provides training and employment opportunities for minorities through apprenticeship programs;

Davis-Bacon does not mean union rates: 71% of prevailing wage rates issued by the U.S. Department of Labor are non-union rates. 80% of the wage decisions issued by the Department of Labor contain a rate of \$10 or under. Davis-Bacon doesn't set the wage rate, it reflects existing community standards.

Ultimately, the U.S. Senate rejected the scare tactics and misinformation employed by Davis-Bacon's detractors:

We just voted on whether to repeal Davis-Bacon. Many of us are not for repeal of that. We believe that there needs to be reform of the Davis-Bacon law and that we, in fact, should assume that for the purposes of the budget. I think there is bipartisan support for reform of Davis-Bacon. I wanted the Senate to go on record for that reform measure—U.S. Senator Rick Santorum (R-PA), Congressional Record, May 22, 1996.

Stop the lies. Reform Davis-Bacon now. Pass H.R. 2472/S. 1183.

Mr. OWENS. Mr. Speaker, there are efforts afoot, and part of this comes from the same committee, the committee I serve on, the Economic and Educational Opportunities Committee. It comes from a subcommittee I serve on, the Subcommittee on Workforce Protections, an effort to promote a concept called the TEAM Act where they try to say that they want to take steps to give management and labor a chance to work more closely together, and they think we need to legislate this. Those of us who oppose the TEAM Act say that the legislation and the context of union-busting that is taking place in the country now is another form of intimidation, another form of ambush that can be set for workers and that we do not need a TEAM Act; what we need is more freedom to organize.

We need new regulations, and perhaps a change in the law, not perhaps,

but certainly a change in the law which would allow workers to organize more freely and without having to go through the tremendously long waiting period and the bureaucratic struggle they have to undertake now in order to organize, get a vote, and be recognized.

The advantage at this point is on the side of management, and management has used that advantage in many ways. So, we oppose the TEAM Act.

Mr. Speaker, here is another way to have management and labor work together without interfering with the collective bargaining process and without interfering with the union organizing process. The contractors in Davis-Bacon, those who are part of the process of building Federal buildings and have for years found the stability of the Davis-Bacon Act and the kind of environment that it creates to be good for business, not for higher profits necessarily, but for stability which gives them a workforce that has skills, a workforce that is stable and will be around, that allows them to treat their workers in some kind of humane way and give fringe benefits like health care and pensions. The Davis-Bacon employers are very different from the non-Davis-Bacon employers.

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The contractors who are against Davis-Bacon are the ones who are the most unscrupulous contractors seeking to maximize profits by exploiting workers. They want to take one group of workers in one part of the country at very low rates and move them to another part of the country, and capitalize on the fact that they are exploiting those workers.

Usually those workers are not as skilled as the people who come up in a situation under Davis-Bacon, and they usually provide a whole series of problems. They generate a whole series of problems in construction. They do not do as good a job, they have many problems. We have some very substandard buildings that have been constructed and others that have to be corrected. There are problems when you have workers who are working at the very lowest wages, workers who do not have health care benefits and workers who cannot look forward to a stable long-term job and any pension benefits.

So, we have instead, a situation where contractors, employers, management, have taken the initiative to put forward the best possible condition for workers. Workers, on the other hand, have responded and they have in many cases made alliances to the benefit of the total community. It is the total community that Davis-Bacon is concerned with, and it is not inappropriate for the Federal Government to be concerned about the total community.

When it goes to build a building, building a building or constructing any project within a community or a locale is not the only thing the Federal Government should be concerned about.

The Federal Government has to be concerned about what it does to that community and what the response is in terms of the labor market and the total environment of that community.

This is not anything unusual. We have a defense budget which has been slowed down. We have not dealt with closing bases in a helter-skelter manner. Closing bases has been a slow process. We appointed a commission. We have taken every precaution to make certain that the closing of bases, which are military bases, be done in ways which do not injure communities, be done in ways which minimize the dislocation of workers.

So the Federal Government is in the business of defending the country. Military bases are constructed as part of a process to contribute toward the defense of the country, but the Federal Government does not ignore what our military posture and our military changes with respect to bases or the movement of any facility does to communities.

Why should it be any different in the construction of large Federal projects, whether you are constructing highways, bridges, or you are constructing buildings? Why should it be different? Why should the Federal Government not try to maximize the impact on that community?

I congratulate Senator SANTORUM because he comes from Pennsylvania. Davis came from New York, Bacon from Pennsylvania, vice versa. I do not remember, but one of them is from Pennsylvania, one is from New York. It is altogether fitting and proper that a Pennsylvania Senator should take the initiative at this time and provide some light on the subject for his fellow colleagues in the Senate.

Let me just talk a bit about the Contractors Coalition for Davis-Bacon and some of the statements that they have made. These are businesspeople. I do not think the Republican majority wants to be in a position of turning its back on small businesses or large businesses. They are the ones who say that the future of the country is certainly tied up with what happens in the private sector.

I do not exactly agree that the private sector can make magic, but I think a partnership between the private sector and the public sector is very much in order, and in Davis-Bacon you have a great partnership between the Government and the private sector, between management and labor, and that is what some of these contractors are talking about. I want to just quote from a few of them.

Thomas H. Parkinson, president of the Burris Construction Co., Mount Laurel, NJ:

The Davis-Bacon Act insures that we are bidding on a basis that will allow the use of skilled labor. To think that merely reducing the cost of labor will provide a cheaper product is ludicrous.

Matthew Card, president of KEC Engineering, Corona, CA:

Davis-Bacon provides added value to virtually every facet of our lives, from the superior quality of our public improvements to a more stable productive society that has the ability to contribute constructively to the future of our great country. Fair wages are a requirement to attract high quality people to provide high quality construction products. One only has to look outside our borders to see the destabilizing and potentially dangerous effects of widespread low wages and poverty.

Ronald J. Becht, executive director of the Northern California Drywall Association based in Saratoga, CA:

As you know, the Davis-Bacon Act does not specify union or nonunion nor should it; it does, however, establish a minimum wage to be paid all workers which enables those contractors who have made the commitment to pay for worker training and who are able to retain their work force by paying a higher wage, to at least compete with those who are not willing to fund the future of their industry. Elimination of the Davis-Bacon Act which stabilizes wages would only serve to exacerbate the current problem of skill shortages in the construction industry. Since the public entity is required to award to the low bidder, low wages would be further depressed by unscrupulous contractors in a mad scramble to underbid each other in order to win public contracts—to the detriment of all.

Troy T. Comer, Jr., executive vice president, Associated General Contractors of Indiana:

This is going to be a tough issue for the Congress to address, because there is a lot of misleading and incorrect information floating around which would give the impression that repeal of the Davis-Bacon Act would save the taxpayers heaps of dollars. We disagree. Quality of construction and the taxpayers are well served with the Davis-Bacon Act.

Judith L. Striebinger, president of Eastern Steel Constructors, Inc., Fallston, MD:

To think that not maintaining a standard for wages and benefits will, in any way, be an asset can only be mentally developed by people who are outsiders looking in and not aware of the complexities of the industry.

Experience increasing difficulty in executing projects leading to higher cost and extended construction schedules at a time when our industry is under severe cost pressure.

That is a quote from W. Douglas Ford, executive vice president of Amoco Corp., in the BNA Construction Labor Report on November 22, 1995.

I quote from Robert Gasperow, executive director, Labor Research Council:

Attracting qualified young workers has to be the biggest long-term problem the industry has. It is possible that the industry has sufficient numbers of workers but their quality is not good enough.

And the final quote from Matthew Brown, Associated Press, in the Salt Lake Tribune:

Beyond the upbeat statistics for soaring construction employment and a doubling in the value of commercial construction over the past 3 years is a desperate campaign to find workers with enough skills to get the job done.

We have a problem in the quality of work that is being produced by the fact that too many unscrupulous contrac-

tors are already at work in the construction industry and seeking to now destroy Davis-Bacon protection.

Mr. Speaker, I submit in its entirety a statement called Contractors' Coalition for Davis-Bacon—Reform Yes, Repeal No.

CONTRACTORS' COALITION FOR DAVIS-BACON  
"REFORM—YES, REPEAL—NO"

Here's what some of our contractors have to say about the Davis-Bacon Act:

Thomas H. Parkinson, President, Burris Construction, Mount Laurel, NJ: "The Davis-Bacon Act insures that we are bidding on a basis that will allow the use of skilled labor. To think that merely reducing the cost of labor will provide a cheaper product is ludicrous."

Matthew Card, President, KEC Engineering, Corona, CA: "Davis-Bacon provides added value to virtually every facet of our lives, from the superior quality of our public improvements to a more stable productive society that has the ability to contribute constructively to the future of our great country. Fair wages are a requirement to attract high quality people to provide high quality construction products. One only has to look outside our borders to see the destabilizing and potentially dangerous effects of widespread low wages and poverty."

Ronald J. Becht, Exec. Director, Northern CA Drywall Contractors Association, Saratoga, CA: "As you know, the Davis-Bacon Act does not specify union or non-union nor should it; it does, however, establish a minimum wage to be paid all workers which enables those contractors who have made the commitment to pay for worker training and who are able to retain their workforce by paying a higher wage, to at least compete with those who are not willing to fund the future of their industry. Elimination of the Davis-Bacon Act which stabilizes wages would only serve to exacerbate the current problem of skill shortages in the construction industry. Since the public entity is required to award to the low bidder, low wages would be further depressed by unscrupulous contractors in a mad scramble to underbid each other in order to win public contracts—to the detriment of all."

Troy T. Comer, Jr., Exec. Vice President, Associated General Contractors of Indiana, Inc.: "This is going to be a tough issue for the Congress to address, because there is a lot of misleading and incorrect information floating around which would give the impression that repeal of the Davis-Bacon Act would save the taxpayers heaps of dollars. We disagree. Quality of construction and the bottom line are what really count, and we think the taxpayers are well served with the Davis-Bacon Act."

Judith L. Striebinger, President, Eastern Steel Constructors, Inc. Fallston, MD: "To think that not maintaining a standard for wages and benefits will, in any way, be an asset can only be mentally developed by people who are outsiders looking in and not aware of the complexities of the industry."

John D. Porada, Exec. Director, Associated General Contractors of OH, Cleveland Div., Cleveland, OH: "The construction industry is a highly competitive and high risk business that must attract the most productive workforce in the quest to be the lowest responsible bidder. Joint labor/management apprenticeship training programs provide the resources needed to train workers and is primarily self sufficient without the need for major financial assistance coming from the government. Repeal of the Davis-Bacon Act could have a very negative impact on the continuance of this type of joint apprenticeship training programs."

Dominick J. Graziano, President, Dominion Construction Services, Inc., New Kensington, PA: "We have had no problem complying with the intent of the Davis-Bacon Act and wish to add that it has in turn guaranteed those municipal or governmental bodies a higher degree of quality and conformity with the design intent by eliminating just anybody who wished to call himself a contractor. It has functioned as part of a base to provide experienced contracting and insure that all contractors bidding on prevailing wage projects bid in an air of equal and fair process with respect to such expenditures of public revenue."

Kimberly Igo, President, Kim Con Inc. Sarver, PA: "Repealing Davis-Bacon would destroy the equal bidding process and would cause the loss of many skilled tradesmen which I have access to with a mere phone call. This would also hurt the families of the people who put Congress members in office. Like you, they too deserve a fair wage."

John Busse, Chairman, Master Builders' Association of Western PA, Pittsburgh, PA: "The absence of the prevailing wage will force employers to drive down wages to the lowest possible level in order to compete for federal construction projects. Further, repeal of the Davis-Bacon Act will negatively impact training, health insurance, pensions, federal and state taxes, social security and local economics."

Ned W. Bechthold, President, Payne & Dolan, Inc., Waukesha, WI: "Welfare reform must be accompanied by an atmosphere that will allow minorities and others to work in our central cities at rates of pay that will permit them to raise families. Davis-Bacon accomplishes this."

Francis X. McArdle, The General Contractors Association of New York, Inc. "Our heavy construction contractors survive and thrive on the effectiveness of their workforce, not on the shine of the equipment. The best assets leave each day at the end of the shift. Those assets are most productive when they are paid enough to work without family worries and are able to contribute to their communities."

"Experience increasing difficulty in executing projects leading to higher cost and extended construction schedules at a time when our industry is under severe cost pressure."—W. Douglas Ford, Executive Vice President, Amoco Corp., BNA Construction Labor Report, November 22, 1995.

"Attracting qualified young workers has to be the biggest long-term problem the industry has. It is possible that the industry has sufficient numbers of workers but their quality is not good enough."—Robert Gasperow, Executive Director, Labor Research Council, BNA Construction Labor Report, October 18, 1995.

"Beyond the upbeat statistics for soaring construction employment and a doubling in the value of commercial construction over the past three years is a desperate campaign to find workers with enough skills to get the job done."—Matthew Brown, Associated Press, The Salt Lake Tribune, July 8, 1995.

Mr. Speaker, I am saying that we have no small item here on the agenda. Certainly the Democrats on the Committee on Work Force Protections are battling an onslaught, an assault against working families that is being waged across the board. As I have said before, they have attacked the Fair Labor Standards Act, they have attacked OSHA which provides protection for workers including construction workers. They have attacked the right to organize by drastically proposing to

cut the budget of the National Labor Relations Board and there is legislation to curb the powers of the National Labor Relations Board. As I have previously stated, we were caught by surprise by this onslaught against working people. The Contract With America did not say anything about trying to make the workplace of Americans less safe. OSHA was not mentioned in the Contract With America. So we were caught by surprise. It was a sneak attack on working people, a sneak attack on people out there who go to work every day and deserve to have safe places to work, a sneak attack on people who do not deserve to have the Fair Labor Standards Act tampered with.

They are proposing now to get overtime. They want the overtime of workers to be captured by management, by employers. Instead of paying overtime, they are proposing to extend the provisions in law which provide for compensatory time, compensatory time which is very difficult to control and to enforce without it being to the advantage of the employers and the management at the expense of the workers.

What does all this have to do with my district, the 11th Congressional District in Brooklyn? What does it have to do with the large percentage of people out there who are unemployed? We have had unemployment at the level of 20 percent for adults and close to 30 percent for young adults for a long, long time. One of the areas that I get the most complaints about is men who want to work, so they would like to have more work to do and they would also like to work on contracts which have Federal funds involved. We have quite a number in New York City of projects that involve Federal funds, the projects which are related to transportation, projects which are related to government buildings. There are a number of areas where young men, healthy men want to get jobs.

What we find often in the streets of New York and on various federally related projects in New York is you find people who are complete strangers from the outside, even with Davis-Bacon in force, they are getting through and disrupting the labor supply at the local level. Our men in Bronxville and our men in Bedford-Stuyvesant and our men in East New York and our men in East Flatbush who want to work on the construction industry—I should stop saying men because there are women now who also work on these jobs—are finding that they have people from the outside who are working for the companies who have come in and bid it on a low basis, even with all the constraints and the oversight of the controller's office. In New York City, it is the office of the controller that oversees prevailing wages. I am told that they do a pretty good job of that, but even then there are large numbers of contractors who are not local contractors who come in and take advantage of government work because of the fact that they are

able to maneuver around some of these prevailing wage laws.

There have been some scandals recently and they have fined many contractors for violating Davis-Bacon. The last thing we want to do is have a situation where Davis-Bacon is not there as a control on the contractors who bring in outside workers. This thing can go to worldwide levels. It is not exaggerating to say that if you do not heed the lesson of Davis and Bacon, two Republicans, who in the 1930's saw a problem with Government contracts being let to people who could come from any part of the country and use cheap labor from one part of the country to undercut the wages in another part of the country, if you do not heed that wisdom, you may have the situation where under NAFTA and under GATT, they will be coming from outside the country.

Eventually NAFTA and GATT will bring down all the walls and you will have contractors who can come from any part of the world and bid on contracts in any areas of the United States. You have an advantage going to those contractors. You can have Japanese contractors who operate out of Mexico. They have the skills and whatever it takes to put together the proposals and to come in at low cost but they will use workers that come across the border from Mexico. Or you would have workers who are transported in from Bangladesh. There is a certain percentage of people in every job that could come from outside according to the way the GATT and the NAFTA laws work. So it could go to ridiculous proportions if you just take away all of the kind of protections that are provided by the Davis-Bacon Act. This thing could keep going.

Prevailing wage is a sound concept. Prevailing wage probably is more sophisticated than the minimum wage. The minimum wage applies across the country assuming that economic conditions are the same in all parts of the country. The minimum wage does not take into consideration that there is a higher standard of living, the cost of living is higher in one part of the country than it is in another. Davis-Bacon does that. Davis-Bacon does not try to disrupt one community and bring it down to the level of the lowest common denominator in America. If you did not have Davis-Bacon, then all construction workers would be making these fantastically low salaries that are paid in places like North Carolina.

Let us just take North Carolina as an example. I have a book here which has prevailing wages all across the country in various places, from Abilene, TX, all the way to New York City.

□ 1845

And you would be surprised at what it shows in terms of the comparison between the wages that Davis-Bacon workers make and the average pay for all workers. In many instances the pay of workers under Davis-Bacon is far lower than the average.

I wonder how the Labor Department computes these prevailing wages, because generally they come under the average worker's wages in these areas. Any Member of Congress who would like for me to give them a rundown on their area, I would be happy to do it. We can tell them what is happening with respect to Davis-Bacon rates and we can bring some light onto the situation.

The heat, the energy of the House is out of control, and the Senate has showed it wants to bring light into the situation. I think the House should make an effort to try to bring some light into the situation.

Let us take a look not just at North Carolina but the 10th Congressional District in North Carolina. Representative CASS BALLENGER, my colleague who heads the Subcommittee on Work Force Protection. Representative BALLENGER probably does not know that boilermakers in this area, who work for no fringe benefits, and boilermaker is one of the highest skills, I started at the top, a boilermaker's hourly wage is \$16.20. They are highly skilled people. The fringe benefits for them, they do have some fringe benefits, they amount to about \$4.10 an hour. Add it together and the average annual salary for a boilermaker in the 10th Congressional District is as high as \$22,680. That is as high as you get.

Let us take the other extreme and take a look at the laborers in the 10th Congressional District of North Carolina and we find that they make \$4.41 an hour. The laborers. And they have no fringe benefits. No health care, no pension. And their annual pay comes out to \$6,174.

These annual pays are computed on the basis of 1,400 hours for the construction industry employees, and we can see that in North Carolina, in the 10th District, all the categories except one, boilermaker of one level and boilermaker of another, they are the royalty, all the other categories are lower.

Boilermaker, as I said before, makes \$16.20. Another boilermaker classification makes \$12.96 per hour. And then you get to electricians. Very skilled people, \$10.26 an hour, and no fringe benefits. The average annual salary of an electrician in the 10th Congressional District in North Carolina is \$14,364.

Now, I am using statistics that come from the survey done by the Labor Department and these compilations done by the National Alliance for Fair Contracting. They have compiled this, but it is based on the survey done by the Department of Labor.

A plumber makes \$7.42 an hour, no fringe benefits. Average salary of a plumber under Davis-Bacon, \$10,388 in the 10th Congressional District of North Carolina. Now, plumbers in New York would go, wow. Plumbers in most of our large cities would go berserk if you tried to offer them \$7.42 an hour.

Cement mason in the 10th Congressional District of North Carolina, \$6.11. Carpenter, \$6.63. Truck driver, \$4.67.

Millwright, \$5.27 an hour. I told you the laborer is the very lowest, \$4.41 an hour. As anyone can see, \$4.41 is slightly above the minimum wage of \$4.25 an hour. Pavement roller operator, \$4.98 an hour. And we think those guys have good jobs, good paying jobs, but even under Davis-Bacon, when Government funds are involved, these are the salaries, these are the hourly wages.

Asphalt raker, I just said \$4.93 an hour. All these people have no fringe benefits, the last ones I have read. Only two categories have any fringe benefits. The bulldozer operators. We always think of bulldozers, they are symbolic of what construction contractors outside do on the highways in preparing for new buildings, when they are building the cellars. A bulldozer operator has a kind of prestige in the minds of kids and a lot of other people as being standard for working class America's very best.

In North Carolina bulldozer operators make \$5.96 an hour and no fringe benefits. That comes out the \$8,344 per year, less than the minimum wage of a person who works on a steady job all year long, because construction work is based on 1,400 hours for construction industry employees.

So here we have a situation in the district of the chairman of the Subcommittee on Work Force Protection, the committee in the House that is leading the fight to destroy Davis-Bacon, and the workers there are only slightly above minimum wage in most categories, and in categories which require considerable skills they are working at jobs that do not have any fringe benefits and are generally very low paying.

We can take examples right across the country and find the same kind of problem. Let us take a few examples, if we go to Abilene, TX, what is surprising is that in Abilene, TX, a place like that, we have the average pay for all workers, people who work for a living and work for hourly wages, their averages pay is \$20,000 a year for all workers.

All of the Davis-Bacon construction worker are below what other workers are making. This is annual income. Annual income is \$20,000 for the average worker, the average worker's pay. an electrician makes \$14,000. Electrician. Backhoe operator, \$13,000. Iron worker, \$12,000. Carpenter, \$11,000. and laborer, \$8,552. These are wages that are under the wages that other workers are making in the same area.

Prevailing wage has really not given them any kind of advantage. Prevailing wage is not designed to do that, unfortunately. I wish it were. Prevailing wage is just what it says; it is based on the prevailing wage. I wonder and I question why it always seems to be that the prevailing wage falls in so many instances under the average wages being paid in a given locale.

Let us take another example. Gainesville, FL. In Gainesville, FL, the average pay for all working people who

work on hourly wage jobs is \$21,300 per year. The closest you get to that is the electrician under Davis-Bacon, \$10,800 a year. Now, we do not have to be mathematical geniuses to see we are talking about a little more than half, a little more than half of what the average worker makes in Gainesville.

We are not comparing Gainesville to New York or Chicago; we are comparing the Gainesville workers in other categories, the average worker level, \$21,300 under Davis-Bacon, an electrician \$10,800, a cement mason, \$9,800, carpenter \$9,109, iron worker, \$8,355, backhoe operator, \$6,000, laborer, \$6,000. In Gainesville, FL, Davis-Bacon really does not help workers to rise above or even match the local level.

Let us go back to North Carolina. Greensboro, Winston-Salem, High Point, NC, in the same area, same survey applies to them all. If you average the pay of the workers in Greensboro, NC, you come out with an average annual salary of \$23,000. The average annual salary for all wage earners, all workers, is \$23,000.

The best you can do in terms of coming close to that under Davis-Bacon is a boilermaker who makes \$12,000, an electrician, \$11,600, an iron worker, \$10,274, a bricklayer, \$10,118, a painter \$9,421, carpenter, \$9,000, backhoe operator \$8,682, cement mason, \$6,267.

Is Davis-Bacon enriching workers at the expense of the American taxpayers? What we hear on ABC's "20/20" is a distortion. ABC's "20/20" had a documentary piece on Davis-Bacon which did not make any pretense of being objective. If ever there was a contracted piece seeking to discredit a program that has been in existence since 1931, it was the piece that ran on "20/20", which described Davis-Bacon as being a swindle of the taxpayer.

They gave none of the facts about how the survey was done to determine what the prevailing wage is. They gave none of the facts about how the salaries of the workers that they depicted in Chicago compared to other construction workers. They distorted the situation and made it appear that Davis-Bacon was responsible for the fact that so many of the workers were white versus the workers who were unemployed in the same area who were black, as if Davis-Bacon was designed to solve the race problem. It is not.

They did not talk about a program which relates to Davis-Bacon called the service contract, based on the same principle. Federal workers who are service workers, also governed by the prevailing wage law, called the service contract law, and that does have large numbers of minorities, blacks and other people, who are covered by that provision.

But the real point here is not to relate to who is covered, minorities, mainstream, et cetera. I dealt with that before, and I would like to focus here on the astounding fact that Davis-Bacon workers do not get close to the average pay of other workers in the



same area. Inflation is not caused by Davis-Bacon workers.

Jacksonville, FL: Average pay for all workers, \$24,000 dollars; average pay for working people, wage earners, \$24,000. The closest you get to that in Davis-Bacon is the iron workers in Jacksonville, FL. They make \$15,000 average, \$15,200. And the backhoe operators, way down to \$10,000, carpenter, \$9,951, and the laborer down to \$7,000.

I can find it for any Member who would like to know the facts. As I said before, the Senate has spoken. The other body has made it clear that they do not feel that Davis-Bacon should be repealed. The wisdom of 1931 of Davis and Bacon still prevails. It makes sense to use Federal money for construction projects. Whether you are constructing highways or bridges or building Federal buildings, it makes sense to go into a community and try to maintain the stability of that community by paying the workers at the same level that other workers are paid.

Unfortunately, Davis-Bacon is certainly not close to, in most cases, what really is the prevailing wage. For some reason it always comes under. Not always, there are a few exceptions, but it comes way under in most cases what is really the prevailing wage.

Davis-Bacon is not driving up the cost of building, I assure you. In Macon, GA, we have the same pattern. We are talking about the average pay for all workers in Macon, GA, \$23,000, workers who are hourly workers.

□ 1900

The closest you get to that with Davis-Bacon workers are electricians who make \$12,476; ironworkers \$12,391; the bricklayers all the way down to \$11,363; a carpenter, 9,000; backhoe operator, 7,546.

On and on it goes. Oklahoma City, a lot of furor around Oklahoma City, and there are people who are saying you cannot rebuild the Federal facility in Oklahoma City until you get rid of Davis-Bacon. I have heard that said several times.

Davis-Bacon is not a problem in Oklahoma City, I assure you. The wages are higher than they are in Macon, GA, thank God, and they are higher than they are in Gainesville, FL. They are higher than they are in North Carolina. Thank God for that. But they are not above the average worker's income. The average workers are being paid some \$24,370. Asbestos workers in Oklahoma City are paid \$23,200. You are getting close. The average pay—I am sorry, the average pay of all workers is \$23,000. Asbestos workers on Davis-Bacon projects actually come in above the average workers. For the first time you have an example of they come in above. Everybody else comes in below. Backhoe operator, \$19,800; electrician, \$18,871; carpenter \$15,631; labor, \$10,672.

You can see from all of these salaries that these are members of the middle

class who will have to be put at the lower end of the middle-class scale. The middle class—it may be you have a steady job, but if these are members of the middle class, as they were when Davis and Bacon first made the law, the wages of construction workers were kept at a level where they were far higher in comparison to other workers and they worked in the middle class.

We have destroyed the middle class, even under Davis-Bacon. The salaries have gone down. What the people are trying to do who want to repeal Davis-Bacon is wipe out the middle class that is generated through the construction industry, working people who work very hard, I assure you. Construction work is some of the dirtiest, hardest, most dangerous work in America. They deserve to be paid far better than any of the wages that you see here. Raleigh-Durham, Chapel Hill, NC, the average pay for all workers is \$23,000. North Carolina. They are paying other workers far higher than they are paying Davis-Bacon workers.

Average pay for all workers in the Raleigh-Durham, Chapel Hill area is \$23,000. Boilermakers are the highest under that, and they are almost—they are a little more than half, \$12,000; electricians, \$11,000; ironworkers, \$10,000; bricklayers \$10,000. So in the Raleigh-Durham area, to work under a Davis-Bacon contract and to be paid the very best, the boilermakers, means that you make half as much as the average worker makes. When I say half, I am talking about \$12,164.

The myth is a big lie. It is not really a myth. Myths have some basis. To have such a discrepancy between the facts and the reality means that somebody is perpetrating a big lie. Somebody is. There is some collusion here, a conspiracy here. The conspiracy is not in the Department of Labor. The conspiracy is not here on Capitol Hill.

The conspiracy is out there with all those people who are generating these lies, the people who can go to ABC news, I guess producers of 20/20, and have 20/20 produce such a lopsided, distorted picture of Davis-Bacon. That did not happen by accident. That has to be a conspiracy to make that kind of lopsided journalism, to put it on the air on a major network. I suppose we will hear more of that, but I invite all of the journalists, especially those at the ABC network, those who put together the 20/20 piece, to come and take a look at the picture across the country. Tulsa, Oklahoma, average household—I mean the average pay for all workers is \$21,599.

There is one category that gets above that, boilermakers, but the ironworkers, \$19,000; electricians, \$15,000, and it goes down. Tulsa, OK, Oklahoma City, they seem to be far better than North Carolina. But no matter where you go, you will find the same pattern. That is, that Davis-Bacon workers are making less, in some cases criminally less than the average working person who is working on an hourly wage job.

The facts speak for themselves. As I said before, the Senate has voted 99 to 0, the other body has voted 99 to 0 not to repeal the Davis-Bacon Act. They are willing to discuss a reform of the Davis-Bacon Act. Anything that has existed for as long as Davis-Bacon can afford to be reformed. There are changes that could be made which would benefit the people who the act was designed to help.

Let us reform, let us join the Senate, let the House join the Senate in indicating that the business of reform is an appropriate business. It is an honorable business. That is all we are going to engage in.

To wage war against Davis-Bacon, to try to carry out a contract to destroy it is to try to destroy families and communities. The myths that keep—that are continually perpetrated, I will run through a few of them:

The Davis-Bacon Act requires all contractors to pay union wages, even when the average wage in an area is well below the union rate. That is a myth, a big lie. Of the 12,500 prevailing wage schedules issued by the Department of Labor during fiscal year 1994, roughly 29 percent reflect all union wage rates, while 48 percent of the wage schedules are nonunion. Mixed schedules, those that contain both union and nonunion wage rates, make up the remaining 23 percent of the universe of wage rates out there.

The perception that the Davis-Bacon Act rate is synonymous with the union rate is a holdover from the days when the rate paid to 30 percent of the workers in a classification could be considered the prevailing rate. For more than a decade, union wages are the locally prevailing rate only when the union rate is paid to at least 50 percent of the workers in a particular classification, which is very rare that union workers, the union rate is being paid to 50 percent of the workers in a particular classification.

The Davis-Bacon Act is inflationary and adds billions of dollars to the Federal budget. That is the other myth. The payment of prevailing wages does not necessarily inflate costs, but does prevent costs from being cut at the expense of employees' wages.

The director of the Congressional Budget Office, Robert D. Reischauer, testified before Congress on May 4, 1993, that the higher wage rates do not necessarily increase costs. If these differences in wages were offset by hiring more skilled and productive workers, no additional construction costs would result.

A 1992 study commissioned by the International Union of Operating Engineers compared the average cost per mile for highway and bridge construction in five high-wage States to five low-wage States and found that the construction costs per mile were actually lower in the high-wage States. In the States where the Davis-Bacon was,