

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workers in the United States who currently receive prevailing wages could lose \$1,400 annually if Davis-Bacon is repealed.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 In States that have repealed their little Davis-Bacon laws, construction costs have risen because of substandard work that must be redone when less skilled workers are used on the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.