

As evidence of how unwise this proposal is, I would like to enter into the RECORD a letter I received from the Governor of my home State, Mike Leavitt. This letter urges the deletion of the committee's sunset of the low-income housing tax credit. It also points out that this private sector tax incentive accounts for virtually all of new construction of Utah's apartment units which are affordable to hard working, low income renters.

Mr. Speaker I urge my colleagues on the other side to listen to Governor Leavitt, who incidentally is the chair of the Republican Governors Association. Let's drop this misguided proposal from the reconciliation bill.

Mr. Speaker, I submit the following for the RECORD.

STATE OF UTAH,
WASHINGTON OFFICE OF THE GOVERNOR,
Washington, DC., September 19, 1995.
Hon. BILL ORTON,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE ORTON: House Ways and Means Committee Chairman Bill Archer has released his proposed Budget Reconciliation to members of his Committee. It calls for the sunset of the Low Income Housing Tax Credit [LIHTC] after December 31, 1997.

As you know, the LIHTC is the only incentive remaining today in Utah, as well as the nation, for the production of affordable rental housing. According to the Utah Housing Finance Agency which administers the tax credit program for our state, the 6,000 units financed in Utah by LIHTC accounts for virtually all this state's apartment construction that have rents which are affordable to hard-working, yet lower income renters. This represents fully half of all the new apartments that have been constructed in Utah since 1987. It also finances rehabilitation of large numbers of old apartments into decent and affordable places for low income families to live.

The LIHTC is not a direct spending program of the federal government like so many other housing programs, but rather offers tax incentives to the private sector to invest capital into these difficult to finance housing efforts. Although corporations are the principal investors in the tax credits which finance these low income apartments, the LIHTC is not in any way a form of "corporate welfare". The LIHTC builds partnerships between public and private sectors to very efficiently draw capital into solving this nation's housing dilemma.

Additionally, the LIHTC has played an important role in sustaining the apartment construction industry in Utah for nearly a decade. It is playing a prominent part in the resurgence of a healthy Utah real estate industry. Vastly more important, the LIHTC has produced more than 6,000 rental homes, housing in excess of 25,000 lower income parents and children, in nearly every community in our state. Those decent and affordable places to live simply would not exist without the LIHTC.

Please contact Chairman Archer and ask him to delete the LIHTC sunset proposal from his Budget Reconciliation Bill.

Thank you for your attention to this important matter.

Sincerely,

MICHAEL O. LEAVITT,
Governor.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

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

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

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

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

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

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

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

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

THE BLACK CAUCUS AGENDA TO FIGHT THE DEATH OF ENTITLEMENTS

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

Mr. OWENS. Mr. Speaker, last weekend, from September 20 to 23, the Congressional Black Caucus held its annual legislative weekend conference. More than 20,000 people participated in the various activities of the Congressional Black Caucus' annual legislative conference. It was our 25th anniversary.

I think it was a clear indication to all who are concerned that the Congressional Black Caucus is still very much alive and a very potent force in the politics of this Nation. Some 20,000 people came to various activities, including workshops on major issues like education, transportation, health, et cetera. We reaffirmed a clear Congress-

sional Black Caucus agenda. We call it the Congressional Black Caucus and the Caring Majority Agenda, because it includes so many more people than people who are black. The overwhelming majority of Americans agree with the agenda that we set forth.

We started this agenda when we offered the Congressional Black Caucus alternative budget on the floor of the House, and we continue the fight. Today and tomorrow we particularly want to emphasize the fact that we are very upset about the death of the welfare entitlement, the death of the entitlement for poor people in need of assistance. The entitlement is on its last breath, its last gasp, almost. The Senate has agreed to end the entitlement, and the House has previously agreed to end the entitlement. We are afraid the President will not veto this end of entitlements that have existed since Franklin Roosevelt created Social Security.

We are going to particularly focus on that. In fact, we are going to wear black arm bands tomorrow to mourn the death of entitlements, the entitlements related to assistance to the poor. That is just the beginning. We understand that on the table now, everybody should know that on the table now is a proposal to kill the entitlement for Medicaid. We have almost killed the entitlement for assistance to poor people. We have set a precedent, so now we are going to go on to kill the entitlement for Medicaid, which means that many fewer people will be eligible for assistance with health care than were eligible last year, when we were talking about moving toward universal health care.

We have an agenda. We want to fight this. We want to fight the death of entitlements. We want to fight aggressive racist attacks in all forms. The Congressional Black Caucus has pledged to continue the fight against the attacks on affirmative action, we are pledged to continue the fight against school desegregation, set-asides, and the Voting Rights Act. We want to fight for education as a national priority. The CBC alternative budget demanded a 25-percent increase in funding for education. President Clinton has also proposed a large increase for education. We want to fight for this increase. We do not want the President to lose sight of this priority.

We want to fight to stop all of the cuts in Medicaid as well as Medicare. This Nation needs a national health insurance program with universal coverage. We should not take a step backward and end the entitlement for Medicaid. We want to fight to increase the minimum wage, to guarantee the right to organize unions, to end the striker replacement activities, and to maintain safe and healthy conditions in the workplace.

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We want to fight to balance the Nation's tax burden by lowering taxes on

families and individuals, while forcing corporations to pay their fair share of the taxes. At present, corporations cover only 11 percent of the tax burden, while individuals and families shoulder 44 percent of the tax load. We want to fight this injustice and balance the tax burden. Mr. Speaker, if we want to balance the budget, first balance the tax burden and relieve individuals from high taxes while we raise the burden on corporations up to a more reasonable level.

Mr. Speaker, we want to fight for an increase in foreign aid to Africa, the Caribbean, Haiti, and other third world countries to assist with vital health and education needs. During this weekend we passed a specific resolution related to education.

Mr. Speaker, I am the chairman of the Education Brain Trust of the Congressional Black Caucus and the National Commission for African-American Education, along with the Congressional Black Caucus Brain Trust Assembly, and those organizations declared their full support for the organization of a National Education Funding Support day on Wednesday, November 15, 1995, during open school week. Just about 6 weeks from now, during open school week on November 15, 1995, we would like for people to come out in large numbers.

We want all of the community groups, senior citizens, businesses, all kinds of people, churches, unions, to mobilize and bring people out on the morning of November 15, to the nearest public school. Everybody come out to the nearest public school to show that in America, there is overwhelming support for education, that there is overwhelming support from all walks of life, and we want to reaffirm this on November 15, during open school week. So please come out and participate. This is a particular and specific outcome of the Congressional Black Caucus weekend and we would like the support of every individual across the Nation.

REPEAL OF THE DAVIS-BACON ACT

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

Mr. SALMON. Mr. Speaker, I rise tonight in strong support of the repeal of the Davis-Bacon Act. Davis-Bacon is over 60 years old, but has already lived out its usefulness by that long in dog years.

This act is an example of the command and control economics practiced by the failed Soviet state. Instead of the free market determining the wages of workers employed by Federal construction contractors, we have a handful of bureaucrats in the Labor Department right here in Washington deciding how much their fair pay should be.

That's right, the same Government that spent the American taxpayer's money to study the effects of cow flatulence on the ozone layer has decided to give electricians in Philadelphia a raise from the \$15.76 market average to \$37.97 per hour just for working on a Federal building.

I would love for somebody to show me how the federally determined prevailing wage can be over twice as high as the city-wide average.

From its creation in 1931, Davis-Bacon has been used to freeze lower-wage, nonunion workers out of Federal construction projects. That was its purpose then, and that is what it does now. By equating the prevailing wage with higher wages, the Department of Labor is still protecting unions from being undercut by their less costly nonunion competitors who are paying wages determined by the free market.

That is why small business organizations like the NFIB and the U.S. Chamber of Commerce so strongly support the repeal of Davis-Bacon. By requiring firms to pay their employees the higher wage, small businesses are virtually frozen out of every phase of virtually every Davis-Bacon contract. We should be committed to expanding opportunities for small businesses, not continuing unsound policies that limit their participation in Government contracts.

Davis-Bacon is also costly to the American people. The act has cost taxpayers billions of dollars over the years as the taxpayer has been forced to pay too much for construction work that could and should have been done for less. The CBO estimates that the act costs at least \$1.5 billion per year. For this reason, the GAO has been arguing for its repeal since 1979. In these tough budgetary times, not repealing this act is simply irresponsible.

This act also costs our States and localities in terms of added paperwork. Dallas TX, estimates that their officials spend 4,000 hours just to comply with the mandates of the act. That is 167 days, or almost 6 entire months! This is just time spent on compliance, not even the actual building Davis-Bacon projects—unless you consider the towers of paperwork a construction contract.

It has also been estimated that Davis-Bacon adds 10 percent to the cost of inner-city construction nationwide. This is the equivalent of adding a full percentage point on an 8 percent, 30-year mortgage. How do you think our constituents would feel if they woke up paying another full percentage point on their home loans. Well, if you don't think they would like it, you had better not tell them about the Davis-Bacon Act.

This act is a bureaucratic nightmare, it inflates costs for States, localities and for the American people, and it freezes small business out of Federal construction contracts. It does not ensure higher quality, or faster work for all the extra cost, it just protects higher-paying union shops from getting un-

dercut by their more efficient non-union competitors. It is counter-intuitive and antifree market. It is an idea whose time may never really have come, but clearly has gone.

If we had a chance to put this law on the books today, I don't think that we would take it. We will soon have an opportunity to repeal the Davis-Bacon Act. Let's reaffirm our commitment to the free market, to open and fair competition, and most of all, to the American taxpayer. I urge my colleagues to join me in supporting the repeal of the Davis-Bacon Act.

A NEW THINKING IN WASHINGTON

The SPEAKER pro tempore (Mr. SALMON). Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, I also want to join my colleague, the gentleman from New York [Mr. OWENS], in stating that indeed, the Congressional Black Caucus had a very substantive and meaningful weekend wherein they not only spoke of issues that affect African-Americans, but they talked about issues that affect Americans as a whole, and wanted to see how the quality of life for all Americans can improve. To that vein, Mr. Speaker, we are reminded, and they reminded us, that people are suffering.

Mr. Speaker, like never before, Congress is seeking to change America, changing the role that the Government will have in the lives of Americans by reducing and eliminating social programs, restructuring college loans and grants, revisiting nutrition programs and cutting Medicare and Medicaid. These programs have increased the quality of American lives and have added to the productivity of this Nation. This budget cutting affects all Americans, young and old, men and women, low- and middle-income, black and white.

There is now a new thinking in Washington, Mr. Speaker, a new thinking that does not seem to care or to focus on inspirational leadership, a new thinking driven by a desire to abandon the collective spirit of uniting all Americans, the unity that built this Nation. This new thinking seems to embrace the individual and isolate each of us from one another. That kind of thinking can only lead to weakening the very fabric that makes America strong.

Mr. Speaker, if some in Congress have their way, Government would shift from the halls of Congress and the corridors of the Federal executive to places where State and local government officials can treat their people and citizens differently from what America stands for. In many instances, Congress is dumping on State and local governments, and they should not do this.