person bringing a ''private attorney general'' lawsuits gets a share of this money—obviously inviting and even financing harassment lawsuits and vigilantism.

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

[Mr. HORN 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 West Virginia [Mr. WISE] is recognized for 5 minutes.

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

REPEAL THE DAVIS-BACON ACT

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

Mr. BALLENGER. Mr. Speaker, I hope that my colleagues were able to see the NBC news story last night featuring Davis-Bacon as part of an ongoing series on ''The Fleecing of America.'' For those who missed the story, I am submitting a copy of the transcript for the RECORD. The report covered an investigation into the Davis-Bacon prevailing wage rates for Oklahoma. Survey data listing non-existent projects and ghost employees was submitted to the Department in an apparent effort to inflate the wages paid on Federal construction projects. For example, a Federal wage survey form was submitted to the Department documenting a construction project in Mustang, OK, which was never built, needed, or even proposed.

This is just one example of what may well be a systemic problem with the administration of the Davis-Bacon Act by the Department of Labor. Sixty-three years of artificially high construction costs are enough.

The Davis-Bacon Act should be buried among other legislative antiquities. It is the perfect example of an outdated, expensive and unnecessary law. Whether or not the Davis-Bacon Act was ever really needed is debatable; but today Davis-Bacon remains law, giving some construction workers a bonus at the bargaining table at the taxpayer's expense.

Enacted during the throes of the Depression, the Davis-Bacon Act required contractors on federally funded construction to pay the government mandated ''prevailing wage.'' Over the years, the prevailing wage requirements of the Act have been extended into many other Federal program, which would not have otherwise been covered by Davis-Bacon. Some $48 billion annually in federal construction spending falls under the Davis-Bacon Act requirements. In effect, the Davis-Bacon Act amounts to a ''tax'' on construction.

The Congressional Budget Office says that the Davis-Bacon Act raises government construction costs on the order of $1 billion a year. That, however, is probably only a fraction of the cost. Contractors who pay less than Davis-Bacon wages on private construction projects are deterred from bidding on government projects because they fear the disruptive effects of two-tiered pay scales. Many contractors simply refuse to bid on Federal projects because they will have to pay some of their employees more than others for the same work. Thus, Federal work attracts less competition—and higher winning bids.

The act is incapable of equitable administration. There are simply too many judgment calls required, too many indeterminate concepts. As a result, its administration is a mess and its wage rates are arbitrary and inconsistent. Responses to the Department of Labor's wage surveys are voluntary and the Department does not verify any of the data it receives.

The Davis-Bacon Act is demonstrably unnecessary. Labor leaders warn that construction workers would be victimized and exploited without Davis-Bacon. Despite the rhetoric, unionized construction firms do compete effectively in many private markets which are not covered by the Davis-Bacon Act. Moreover, since the enactment of Davis-Bacon in 1931, other labor protection measures have become law, thus giving construction workers the same protections which are afforded to other workers in other industries.

At a time when every American is being asked to sacrifice something in order to protect our children's future, it would be unconscionable to let Davis-Bacon continue to exist. Davis-Bacon may have had its time and purpose, but those are long since past. Now the act is just another expensive governmental burden to the taxpaying citizen. I urge my colleagues to join me in supporting repeal of the Davis-Bacon Act.

Mr. Speaker, I include the following for the RECORD:

[From NBC Nightly News, Oct. 11, 1995]

THE FLEECING OF AMERICA/THE DAVIS-BACON ACT

Tom Brokaw. Time now for our regular Wednesday feature about your money and how your government wastes it. Tonight, how phantom construction projects are driving up the cost of real buildings.

NBC's Robert Hager has details now in this Fleecing of America.

Robert Hager. Mustang, Oklahoma, a rural town in the nation's heartland with a brand new $2 million underground storage tank. But where is it.

Jim Morgan [City Manger]. No, this is not a underground storage tank.

Hager. In fact, the underground tank was never built, needed or even proposed. It only exists in these documents, federal wage survey forms, fraudulently submitted to the U.S. Labor Department, complete with fake salaries and fake jobs, intended to persuade the government to set higher construction wage scales for that area. Remarkably, it worked.

And since until recently by law, Oklahoma had to pay using the same wage scales, the state labor commissioner is furious, saying the fraud is costing taxpayers there millions of dollars.

Brenda Reneau [Oklahoma Labor Commissioner]. The wage rate for this area was based on that non-existent or ghost project.

Hager. A federal law, the Davis-Bacon Act, requires that construction workers on almost all U.S. government projects, be paid the prevailing or going salary for a specific region. Those salaries are set by the wage survey. But critics say many of those surveys are being rubber stamped without any checking.

In Oklahoma, the impact on the state's wage rate is tremendous. A backhoe operator whose salary was 8.40 an hour started getting $22 an hour. A truck driver whose salary was 7.30 got $15 an hour. Total additional taxpayer cost, $21 million.

On Capitol Hill there's concern.

Rep. Cass Ballenger [R-North Carolina]. If they found out in Oklahoma that you could get away with cheating, it's not a secret they must have kept in Oklahoma. It's got to elsewhere in the country.

Hager. And NBC News has learned the FBI is now investigating. Because of this, the U.S. Labor Department says it's limited in what it can say.

Thomas Williamson [Labor Department Attorney]. We take very seriously allegations of fraud that call into question the integrity or accuracy of any wage surveys used by the David-Bacon program.

Hager. In Oklahoma, more fakery. Someone wanted to double pay for asphalt workers, so a form was sent to the U.S. Labor Department claiming asphalt workers had made big wages to resurface a parking lot. But a look today reveals it was never paved with asphalt. Another survey detailed high wages to put up a building at a water treatment plant. But a look today reveals no building to be found, only barbed wire. Now, because of continued abuse, the U.S. Labor Department has withdrawn the prevailing wage rate for Oklahoma.

And because she first raised questions of fraud, the state labor commissioner's life has been threatened. But that's not stopping her.

Reneau. It's fraud. It's fraud at the fullest extent.

Hager. No one has been charged yet, but there's growing concern that the system of setting wages on U.S. government construction projects is so flawed that it's fleecing taxpayers of hundreds of millions of dollars.

Robert Hager, NBC News, Washington.

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 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 North Carolina [Mr. JONES] is recognized for 5 minutes.

[Mr. JONES 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 gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.