

are a lot of Nell Bartons in this country. In my mother's case, she was fortunate that she had enough money this year to pay her Federal income tax without having to borrow from me or to go into her savings account.

□ 1945

There are a lot of people come April 15 that are in real tough shape, and we need to protect those people by passing this constitutional amendment.

Mr. SHADEGG. There is no doubt about it. As the gentleman well knows, whenever you come to the floor and propose a constitutional amendment, one of the reticences, one of the resistance factors you face, is that people say we should not tamper with the Constitution lightly. We really ought to think about these issues gravely and seriously, about whether it is appropriate to amend the Constitution. We ought to consider the consequences of our conduct.

Is a constitutional amendment really necessary? If this was such a great idea, how come the Founding Fathers did not do it?

I know, because you have carried this amendment on this floor many times in the past, you face that argument where people say, no, if it was necessary the Founding Fathers would have put a tax limitation amendment in the original Constitution. They would not have said you could raise taxes with a simple majority. They would have said you could raise them only with a supermajority, so you must be wrong. We do not need this. This is a radical idea and bad idea.

When I tell the story, if I could just make this point, about that empty chair of the taxpayer who is not there in the conversation, I want to make the point that when we enact new programs, we never talk to the taxpayer, and the role of government is so dramatically different than it was at the founding of this country.

The first and most important difference is that we did not have an income tax. I think all students of American government know we did not have an income tax. We could not even have contemplated passing the kind of taxes and tax burden.

Mr. BARTON of Texas. It was unconstitutional.

Mr. SHADEGG. Until we amended the Constitution with the 16th amendment. So we did not even contemplate reaching into people's pockets time and time and time again with ever-increasing income taxes to pass that money on to some government program to solve a problem.

But there are dozens of other differences in the role of the Federal Government today. I firmly believe that the Enumerated Powers Doctrine says that this Congress can only do a certain limited number of things. There are actually only 18 enumerated powers in the U.S. Constitution. Yet this Congress does a whole lot of things that it is not supposed to do under that doctrine.

The 10th amendment says you are not supposed to do any of those things, but rather those authorities belong to the States and to the people. Yet the 10th amendment and the Enumerated Powers Doctrine have almost been completely read out of the Constitution.

While I regret that, those are the facts. That means that it is appropriate to amend the Constitution and to say wait; before you raise taxes yet one more time, we are going to make the bar a little higher. We are going to say instead of doing it with a simple majority and stealing that money from the American people yet one more time at a higher rate than today, when it is as high as it has ever been in our Nation's history, you cannot do it with a simple majority. You have to have a broad consensus represented by a two-thirds majority.

That is why I think this amendment at this point in time is appropriate and is not inconsistent with what the Founding Fathers intended.

Mr. BARTON of Texas. As the gentleman from Arizona has pointed out, when the Constitution was ratified by three-fourths of States in 1787 through 1789, it was unconstitutional to have any kind of a head tax or income tax.

That situation changed in the early 1900s. The constitutional amendment making income tax constitutional, the 16th amendment, passed, as the gentleman has pointed out. Since that time, the average marginal tax rate at the Federal level has gone from 1 to over 40 percent. So we do need to pass a constitutional amendment making it more difficult to raise taxes.

Again, it does not take college level algebra to understand this amendment. Two-thirds is a bigger fraction than one-half. Therefore, it would be more difficult to get two-thirds vote to raise taxes in the House and the Senate than the current one-half plus one.

Mr. SHADEGG. If the gentleman will yield quickly on that point, there are a lot of people who are my constituents who say Congressman, why just two-thirds? I would rather it was three-fourths or five-sevenths. They want it to be as high a fraction as possible. I think this is a reasonable figure, and we need to strive very hard to get support for it and encourage our colleagues to vote for it.

Mr. BARTON of Texas. I did a town meeting in Arlington, Texas, last week, and one of my constituents said we ought to make it by unanimous consent, 100 percent, which would be very difficult, indeed.

So we need to wrap this special order up. I want to thank the gentleman from Arizona (Mr. SHADEGG) for his strong leadership. The gentleman from Texas (Mr. HALL) and the gentleman from New Jersey (Mr. ANDREWS), our Democrat chief sponsors, could not be here this evening, but they are quite supportive. We should require a national consensus to raise taxes, and we should require a two-thirds vote.

Hopefully, the people that were polled in the poll that the gentleman alluded to will call their Congressmen and Congresswomen, and tomorrow we will get a bipartisan vote that ends up the requisite two-thirds to pass this and send it to the other body. I look forward to a big vote tomorrow.

ATTACK ON WORKING FAMILIES MUST CEASE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, we have just returned from a recess, the Easter recess, and I think the period between now and the 4th of July will be a very busy period where the Congress has some business that has to be conducted, and I hope that we will be able to make room on this very busy agenda for some items that I think are of great necessity.

I hope that in the next few months we can see an end to one feature of this Congress that is highly undesirable, and that is the attack on working-class families. The attack on working families must cease. It is counterproductive. It does no good. It is out of step with the present situation in America where we are enjoying unlimited prosperity.

The stock market, the Dow Jones average has jumped to the 9,000 level. It is double what it was 2 years ago. Unprecedented prosperity we are enjoying, and yet at a time like this, the war on working families has been intensified by the Republican majority.

I can speak from intimate experience about this war on working families, because I serve as the ranking member on the Subcommittee on Workforce Protections of the Committee on Education and the Workforce. So we are having hearings; we are having mark-ups; and I know intimately how this war is intensifying, and it has become a kind of a microguerrilla warfare.

The Republicans did a very strange thing in 1994 when they authored a Contract with America. It had nothing in there about attacking working families. It had nothing in there about attacking unions. There were no antilabor platforms parts of the contract. That was the overt contract.

Obviously, they had a covert contract, because immediately after the Republicans won the majority, in addition to pushing their overt Contract with America, there was an attack started in 1994 on the working families, a steady attack.

That was an attack which was sort of open warfare, out in the open, and with heavy armor. The public could clearly see what was happening; the workers could see what was happening clearly, and we rallied our forces against those people who wanted to end, at one point wipe out the Department of Labor, and then wanted to wipe out the National

Labor Relations Board. They wanted to bring OSHA to a standstill.

There were numerous kinds of activities that were undertaken in 1994 that were beaten back. They basically lost their first set of assaults. But now we have a kind of microguerrilla warfare where they are going to chip away at the foundations of the protections for the working families of America. They have come with all kinds of camouflaged attacks.

Now, frequently we have bills that only take one small part of a major piece of labor regulations and law and begin to attack that, chip away at that, in the hope that they will be able to slowly erode and maybe gain some momentum later on for bigger attacks.

So I think that it is time to call a halt to the attack on working families. It should cease at this point. You lost the first phase of the war in the last Congress, so why not let that be a lesson. The new strategy of tactics, I do not think it will work, because if we maintain an open society, if we continue to debate the discussion, the common sense of the American people, the American voters will rise up and pass judgment on those who insist on repeatedly attacking working families.

In this atmosphere of prosperity, where unprecedented amounts of money are being made, and certainly the people in the top 10 percent, the top 20 percent, are doing very well, why even allow ourselves to be consumed with a discussion of how to make the pie smaller for working families? How to oppress working families in terms of their working conditions? How to block benefits from working families?

Why do we not have a more expansive attitude by both parties. Let us have a bipartisan initiative whereby we seek ways to spread the prosperity that we now enjoy to all of the American people, including the workers? We have got the wrong war going, the wrong set of energies being expended at this point. We should focus our energies on how to spread the prosperity, how to use this to make a better, a fairer playing field for workers.

We need a terrain where everybody in America can reasonably pursue happiness, the pursuit of happiness that is mentioned in the Declaration of Independence. It should still be our goal, and everybody should not just have the right to pursue happiness, but we ought to have a fair playing field, a terrain that allows that to happen.

We can do it. It is possible now. No society ever in the history of the world has enjoyed the kind of resources that we have at hand now. So instead of attacking working families, let us look at working families as being a major resource. Our human capital is our major resource.

In this very complex, modern society of ours, it is what happens to the human capital, the people and their minds, and the way they operate, which will determine where our society goes.

So I want to talk tonight about the attack on working-class families and how that ought to cease, and we ought to direct our energies instead towards spreading the resources to guarantee that working families participate in the present prosperity.

There are a number of areas in which the attack on working families does continue. It is quite obvious not too many weeks ago, a few weeks ago, we had one bold initiative brought to the floor here, the Paycheck Protection Act. The Paycheck Protection Act is one of the most dangerous pieces of legislation ever introduced in America. It has not been talked about in the proper context.

What the Paycheck Protection Act is seeking to do is to cut the throat of the working families, cut the throat, the voice, end the voice, completely shut them out of the dialogue, circumscribe our open society, which is so invaluable.

One element, one very strong element, the labor movement, the organized workers, would be destroyed if the Paycheck Protection Act was passed.

The Paycheck Protection Act boldly states that we are going to put unions in a position where they will not be able to function. We will give them so much democracy they will choke to death.

□ 2200

Now, I am going to take some time to talk about this, because it seems to have appeal to some people, whereas the chances of it going anywhere here on Capitol Hill, we would beat it back and the likelihood that it would get passed here is slim.

But the effort by the Republican majority has taken a guerilla warfare approach and spread out, and it now comes through all the States. Many States have introduced legislation very similar to the Federal legislation that was introduced here in Washington, paycheck protection, meaning silence the unions.

We can summarize it by saying it is a bill that says unions have to consult with all the members before they make major decisions. They have to have the approval of all the members on every decision. That kind of democracy is a democracy of death.

Even in a small unit like the family, if you told the person who is going out to shop for groceries, you will need to get approval from us on how you are going to spend this week's grocery money, on all the decisions, you would wipe out the process of being able to have anybody do the shopping. It is that simple.

If you want to destroy America, tell the voters that they have a right to demand from every congressman that they once a year check with them and no decisions can go forward, no actions can be taken, unless they approve it a year in advance.

Any institution can be brought to its knees that way. That is not honoring

democracy. That is not exalting democracy. That is using democracy as a weapon. That is going to extremes in order to destroy it.

That is basically what the Paycheck Protection Act says, that unions, unlike corporations or any club that you ever belonged to, there is no institution that operates in a way where it has to get the approval of its members ahead of time for any basic decision. It is impossible to function that way, and yet unions are going to be required to do that.

Unions are already under great restrictions in that they have the Beck decision which, in essence, says a union member has a right to demand that his money not be spent on activities other than those connected with collective bargaining and the benefits that they receive and the administration of those benefits. So they can demand that their particular dues money be separated out in a way which allows it not to be spent for anything except the direct activities related to collective bargaining.

Already, that is almost impossible to administer. There is a whole lot of paperwork. Most unions, of course, are doing that already.

To go one step farther with a Paycheck Protection Act which demands that they lay out their plans, and certainly any positions that they are going to take with respect to public policy must be taken ahead of time, the union members have a right to do that. So we have that bold step taken which is going for the jugular vein of the union movement, which is an example of how that attempt to oppress working families has taken a new turn. It is more intense than ever.

There are still great problems with Davis-Bacon being still a candidate for ambush behind the scenes. In every major bill related to construction expenditure, on Federal funds on construction, you have the Davis-Bacon ambush waiting, an attempt to put into law something to curb Davis-Bacon or even not allowing certain things to go forward and move.

One of the problems with the school construction initiative is that there are too many of the Republican majority who would, rather than see no schools built, if they have to be built under the Davis-Bacon provisions, they would rather not go forward.

It is really a blind approach, like the woman who came before King Solomon claiming to be the mother of a child, and yet she was willing to see the child cut in half. And Solomon, of course, immediately identified her as not possibly being the mother of the child. How can you be the mother of a child and want to see it cut in half? How can you care about education and worry about the problem of using Davis-Bacon regulations in the construction of schools?

We have a minimum wage problem that nobody wants to discuss. We passed a minimum wage bill 2 years

ago. Some people said it would be over their dead bodies, but we managed to do it, and nobody died. Nobody in the Congress had to pay that final price, give the last measure. It passed. Nobody died.

We have gone two steps now. It is unto \$5.15 an hour. It is time to increase the minimum wage again, if for no other than reason than to share the wealth.

But there are much better reasons because, as far as working people are concerned, the minimum wage still has not caught up with the years of inflation. We are still behind in terms of the buying power of the dollars that workers receive, so the minimum wage needs to be increased just to bring us one step closer to where the buying power of the dollar is today.

There are some moderate proposals on the table to increase it merely by 50 cents per year for the next 2 years, which would bring the minimum wage up to \$6.15. Most workers are way ahead of that already. There are a good number that still need the floor of the minimum wage, but most are ahead of that already. It is only fitting and proper in a time of great prosperity that we increase the minimum wage. At least we can do that.

There are many, many ways to share the present prosperity we enjoy. We could go for a universal health system, a universal health system which guarantees everybody a decent health plan, and stop this kind of approach that we have now, a piecemeal approach which in the end may be costing us more, giving us worse health care and costing us more, to really having a universal, single-payer health plan. That is one way we could spread the prosperity and help us to guarantee the pursuit of happiness on a fair playing field for everybody. But if we do not want to go that far, the minimum, the least we can do, is to guarantee that working people receive a little more money for the hours they put in.

So the minimum wage, Davis-Bacon. We should stop the war on occupational safety and health issues. That still goes on. OSHA is being attacked every day from new angles, chipping away. The attempt to sort of bring OSHA to a standstill and paralyze the agency completely failed.

They did cut the budget. They have a trophy. They drastically cut the budget. They cut the budget of NLRB. They have some trophies to take home in this dangerous war against working families, but it still exists. OSHA is there and needs to be left alone to provide more safety for workers.

We still have a problem of more than 6,000 workers dying in the workplace. We still have a problem with more than 50,000 workers being injured in the workplace. It is not moving rapidly enough. Preventable deaths are still happening as a result of inadequate occupational safety and health procedures.

Migrant and seasonal agricultural workers, they are still trying to chip

away at the small protections that they have.

I came back today for a hearing at 2 o'clock related to migrant and seasonal workers, where they are trying to take away the very measly, minimum protections that we have there. Those are the most exploited workers in America.

The fact that they do not give contributions to any party, the fact that a lot of them are immigrants as well as migrants, also lessens their political effectiveness. But a great country does not worry about human beings' capability of making contributions; a great country seeks to protect all of its citizens.

I am certainly glad that Abraham Lincoln did not worry about the fact that the slaves did not have any PACs. They could not give any contributions. The slaves had no political influence. In fact, the career of Abraham Lincoln might have been guaranteed as a rosy career, going on and on with the least amount of stress, if he had just forgotten about the slaves.

I am glad there was something in his American blood that made him care about those who could do nothing for him politically, and he set the slaves free. Migrant workers and a lot of people at the bottom of the rungs deserve that kind of protection, as do all of us.

The Federal Employees' Compensation Act, like Workmen's Compensation at the State level, we have a Federal Employees' Compensation Act which is not very different, but there are assaults on that as being too expensive and too costly. We had a hearing on that about a month ago, the Federal Employees' Compensation Act; FECA, it is called.

What came out of the hearing? That there are large amounts of payments going to workers who have now retired. Twenty-five percent of the payments are going to them, and a large part of that expense that is disturbing so many people is going to the older workers.

Why are there are so many older workers who are getting FECA? Because they had no occupational health and safety provisions years ago when those people were in the workplace, and large numbers became injured with serious injuries.

Preventive measures taken many years ago would have saved us untold numbers of dollars, millions and millions of dollars. But instead of taking those steps years ago to implement the kind of occupational safety and health procedures in the Federal workplace that we should have done, we did not do it, and we have these people now, and we want to prey upon the weak. We want to take away some of their benefits. We want to get very technical and talk about the fact that they should not be getting the money they would have received if they had not been injured, and a whole number of arguments are offered which run against the grain of the American legal system.

If each one of these people who were injured in the Federal workplace had been able, because there was no workmen's compensation, no restrictions on them, been able to go and sue in court, they would have gotten far more money for these injuries, probably far more.

They do very well in these cases. Many are open-and-shut kinds of cases, because the Federal Government has not been so generous. They challenge people who say they have injuries, and they challenge people who have disabilities, and it is not easy to get the compensation. But that attack on old workers who have gone out of the work force, who worked for the Federal Government, that attack is one of those attacks that is most despicable, but it goes on.

So I am here to talk about that, and I mentioned the Paycheck Protection Act first because it is important that we understand what is involved.

They are able to oppress the workers and squeeze them tighter, although why we should squeeze workers more I do not know. Now with unprecedented prosperity, a Dow Jones average of 9,000, and the stock market roaring ahead, why we are preoccupied with squeezing workers? But whatever facets of human nature are driving this effort to oppress working families, it is there.

In order to do that, they feel they have to have a closed society. They have to get rid of the one voice out there that is able to keep pace with the Republican contributors. The Republican contributors are predominantly corporations, big business, people who may be misguided enough to believe that they have to squeeze more out of the workers.

How do the workers get to be the enemy, when the evidence and the facts show that the workers are not the enemy, they are part of the success of the American system? Why that cannot get through, we do not know, but that is the case.

They want to silence the one element that in the last election was able to stand up and challenge the multi-billion dollar electioneering process of the Republican party. Only organized labor could produce money out there to put issue ads in front of people and make them think about what was happening with Medicare, Medicaid, the minimum wage or any vital issue that had to be discussed in a way which required maximum visual exposure on television or radio. It was organized labor that was the one opposition voice that across the country could be mounted against the Republican majority's open-ended expenditures.

So the decision has been made to go after them, to cut off their voice, to end our open society.

The debate will be far more one-sided than it is now. Even with labor, organized labor, able to expend \$1 million to get the other point out there, it is still a lopsided argument. The expenditures of soft money with respect to the

Republican party versus the Democrats, who were supported by labor unions, was at least more than 20 to 1, the soft money. The rest of the money, it was like between 7 and 10 to 1 on the hard money. So it is way out of kilter in terms of the kind of money being spent. They want it to go even further. Let us wipe out any well-financed opposition totally.

George Soros, who happens to be a billionaire, and I commend him because I do not think that this discussion has to be stratified in terms of here are the rich here, and the poor over here, and all rich people are foolish enough to believe that they have to wage war against working people. I do not think all rich people are foolish enough to believe they have to wage war against working people. I do not think all corporations are foolish enough or misguided enough to think they have to wage war against working people.

In fact, the biggest corporations that make the most money have unions. They have not gone to great lengths to prevent the formation and continuation of unions. Unions are shrinking in size, and it is interesting that the American economy now, you know, is more and more a smaller set of entities.

□ 2215

The businesses are in smaller units and that is part of what is happening with respect to the decreasing number of people who organize. We also have not kept pace with our labor laws and our National Labor Relations Board. It is too difficult to organize in these smaller units, and there are various reasons that I do not want to go into tonight why we have fewer unionized workers, but certainly we do not want a situation where the kind of opposition and strong national voice that unions can mount will be silenced.

George Soros talks about nothing is more important at this point in American history. We are so prosperous and so successful and there is no competing superpower. Nothing is more important than keeping an open society, whatever has to be done to keep an open society where we have a large number of newspapers and we have got a voice there, we have voices there that compete with each other, we have voices on television and radio that compete with each other. We have a society where the dialogue is not all forced to go one way.

Of course, we say we have freedom of speech. That is part of the Constitution. So why are we worried about that? It so happens that despite freedom of speech and despite the Bill of Rights, if one does not have money or resources, constitutional rights begin to get very weak. The fact of modern society is that we are going to have to take a look at the relationship between money and resources and rights, and one of the rights is freedom of speech.

George Soros says one of the great problems in totalitarian societies, and

certainly in the case of the Soviet Union, was that it was a closed society. The Soviet Union has probably a higher literacy rate than America and most countries in the world. The Soviet Union, which put Sputnik up before we had a thing up there in space and put up a space station and had great rocket power and the power to land ballistic missiles, we think to mount intercontinental missiles and have them land, be deployed in Russia and land here, all of that great, very well-organized, very competent, scientifically competent society came crashing down. It came crashing down.

I agree with the analysis that says it is primarily because it was a closed society. Even if there are brilliant people, if they are making decisions in a closed circle and something goes wrong, and they all begin to go in the same direction and there is nothing to come in from the outside to make them get the perspective or correct it, then there is a problem.

Certainly when political decisions are overwhelming everything else, the scientists begin to look stupid. The financial masterminds, they are over-ridden. No matter what science, evidence, reason says, if the decision-makers at the political level are going wrong and there is nothing to correct them, no force will make them correct themselves, then that closed society becomes the engine for doom because the blundering and the decision-making will carry them downward and downward in a faster spiral.

Ridiculous things were being done, and still are to some degree, by a great Soviet society, a closed society. I will not say whether it was communism or socialism that brought them down. Closed capitalist societies suffer the same problem, and we have totalitarian societies that have also been closed, and some still are. They are capitalists but they are Fascists or they are totalitarian. They suffer the same problems.

And we have some semi-democratic societies. There is a rash now of problems in the Asian countries. The great Asian economic miracle, there is a problem now. Part of it is because they have so many dictators and patriarchs and old ways of doing things that will not allow other voices to come in which could challenge that closed society.

So labor should not be silenced. We are an indispensable Nation, the President says, and I think in order to remain an indispensable Nation with great resources we are going to have to keep the society open. And the last thing we want to see is a Republican majority victory over labor which puts the voices of the working families in chains.

We are an indispensable Nation and we must see workers as being indispensable, an indispensable part of our indispensable Nation. This term "indispensable Nation" was used by President Clinton, and I heartily agree that

America at this point is an indispensable Nation.

We have to make up our minds about how we want to behave as an indispensable Nation. But the Roman Empire was merely a village compared to the American colossus. What we are now would make the Roman Empire look like a village. The American colossus is something that has never existed before on the face of the earth. It is a totally new phenomenon.

We do not have an empire which we maintain with bullets and guards and tanks. We are not oppressing anybody anywhere in the world in order to make them accept our influence, our systems. We have a great deal of influence without that.

Our popular culture probably is the most widespread phenomenon on the earth. That has no bullets and no tanks behind it. The American colossus as a successful economic system is now being emulated and imitated. And because it is so successful, and not all of the things that have been done would I endorse in this process of being successful, but it is a successful economic system compared to the other economic systems now, so dollars are going to flow at greater and greater rates into the American coffers.

Our stock market is up primarily because we are not demanding tribute from the rest of the world. The nations of the rest of the world, at least their investors and their capitalists, are bringing their tribute, are bringing their dollars to invest in our economic system. The Wall Street phenomenon, the stock market rise, the Dow Jones average increase, all of that is being driven by large amounts of money flowing in from all over the world. All roads used to lead to Rome. All roads now lead to Wall Street and the stock exchange. All money and all investment, because this is the place to put it. That is one part of our prosperity.

This American colossus ought to become for the working families a new phenomenon where we can guarantee that everybody will have a right to pursue happiness on a terrain that is reasonable. We do not want a worker's paradise. We do not want to use terms like that. When the rhetoric gets carried away by politicians and economists or we jump into the Bible, beware. Do not listen to anybody that says they are going to create a paradise. We are not going to create heaven on earth through a secular process. We are not going to create a paradise, but the least we can do is have a playing field where working families have a chance to make it.

We are a pivotal generation with an abundant supply of resources, and we ought to be thinking in terms of how can we use those resources to guarantee the most good for the most people.

We could mount big initiatives of many kinds. I do not have a list of initiatives that I would propose, but one thing I would propose is that we at least consider how can people who go

out to work every day get a greater share of the pie? How can people that go out to work every day be rewarded for their labor in a way commensurate with the kind of money being made at the top, with the kind of prosperity being generated by the overall economy?

The Romans, and I have heard this example used at least twice over the last weekend. I think somebody has written a book on taxes and I do not unfortunately have the name of the person. I apologize to them.

But they use an example in the book that the Romans at one point had so much tribute being paid to them, that Rome decided that they had so much money coming in that they would just give a certain amount of money to every Roman family. They did not include the immigrants, maybe. They had to be a real Roman, and every Roman family got a set amount of money regardless of what they did. They did not have to do any work for it, and there was something like 200,000 Romans at that point who lived in Rome and who qualified for the money and they distributed it.

It was like a positive subsidy program. It could not be called welfare because it was a considerable amount of money. They did not have to work anymore. I suppose they had servants and slaves and others who were not Roman citizens.

But according to this example, the Romans in the surrounding countryside heard about Rome giving out the money and they began all to come into Rome and demand similar subsidies, and that broke the bank and broke the system. But it is kind of an example used to ridicule subsidy, ridicule the distribution-of-wealth theory, ridicule any kind of social system which sought to spread the prosperity of the Nation to the most people.

I do not think it is ridiculous. I do not think we should give subsidies to people and tell them every family deserves this money and they can take it and not have to work. I think the Saudi Arabians had so much money that that kind of thing was happening in Saudi Arabia. I do not think that is a wise step, but we certainly could spread the resources some other way. We could spread it through universal health care, and certainly through minimum wage increases, and we could stop oppressing workers in their working conditions.

The Romans also were great builders. They invented the science of engineering and they invented concrete. They were also depraved in many ways, and one of the great concrete monuments that they built was the Colosseum, which was built as a place where animals fought human beings. Gladiators fought each other and that was too boring, so they started having animals devour human beings, and there was something sick there. We know about how a society can be very advanced on the one hand scientifically and be very

savage and backwards in many other ways.

We saw what the very well-organized and scientifically equipped Wehrmacht of Hitler did. We saw what a very civilized group of people, civilized in the usual sense of the word, did in World War II, and we have seen many examples of that in many places before. The fact that they were great builders and engineers did not mean that they knew how to make choices about the fact that they were indispensable and get a sense of mission that would make them rise above certain weaknesses.

Building for them was an indispensable activity, and our public buildings also will be the first evidence that we have for future generations to measure us by. We may have great poets and dramatists, but in the future the thing that is going to be most highly visible is our buildings and our public buildings are very important.

Which brings us back to the fact that it is a great shame that the war against working families leads to a situation where there is such a preoccupation with trying to prevent Davis-Bacon regulations from being utilized that we are stifling and inhibiting the process of building more public schools. There are a lot of other public buildings we need, but public schools we need most of all. \$120 billion, according to the General Accounting Office, \$120 billion is needed to just bring the infrastructure of public schools across America up to date.

The fact most of those buildings at this point would have to be under the Davis-Bacon regulations if they had Federal funding leads many Members of the Republican majority say, no, we will not do it. We would rather have no schools than to have them built under Davis-Bacon regulation.

It is very interesting that the Republican majority wages war on Davis-Bacon, and I have said this before and I must use it again and again to remind the Republican Majority of how ridiculous what they are doing is. Davis-Bacon is a Republican creation. Davis-Bacon was enacted, was really sponsored and supported by the Hoover administration. And that is one of the ironies.

Just to refresh the memory, Davis and Bacon were both Republicans. It was in 1927, in a time of economic prosperity, particularly in the construction industry, when representative Robert L. Bacon, who was from New York, a Republican from New York who was also a former banker. Davis-Bacon originated in the head of a banker. He introduced the forerunner of what would become the Federal Davis-Bacon Act.

Alarmed by increasing incidents of cutthroat bidding for Federal contracts by itinerant contractors, itinerant contractors using low-wage labor and as a result producing shoddy construction, Robert Bacon moved to protect Federal construction contracts. At that time shoddy construction was a major

threat to a massive Federal building program that Members of Congress had just authorized. They had authorized a massive building program. And it was not the workers, the only thing they were concerned about, the wages of the workers at local level was a concern, that being undercut by the itinerant contractors, but also shoddy construction. Remember that.

□ 2230

With the help of Senator James Davis of Pennsylvania, a former Secretary of Labor under three Republican Presidents, James Davis, Senator James Davis had been a Secretary of Labor under three Republican Presidents, the bill was passed. And in 1931 Republican President Hoover, Herbert Hoover signed the Davis-Bacon into law. Convinced of the law's benefits, Congress went on to incorporate Davis-Bacon labor standards into more than 60 Federal statutes. That is where it all originated.

There was a time when the Republican Party did not feel a great compulsion, some kind of blind passion to wage war on workers. There was a time when this was not the case. At this point in history, it is not the case. Every piece of legislation which has an opportunity for Federal funds to be appropriated for building is immediately subjected to scrutiny, and the possibility of a Republican ambush.

School construction, as I said before, is one of the casualties. School construction has been used as an example. It costs more to build schools if you use Davis-Bacon, if you build them under Davis-Bacon, which requires prevailing wages. Prevailing wages are not necessarily union wages.

Prevailing wages, in some instances, in some States, are really minimum wages. It has gone down to that in a few States; that the minimum wage in cases of some people, beginning laborers and even bricklayers in one State, were close to the minimum wage. That was the prevailing wage. So it is not something fixed in stone. It is not something unreasonable and irrational and wasteful, but Davis-Bacon does maintain some kind of standards.

Two sets of studies done by a professor at the University of Utah quite a number of years apart have come up with the same results; that Davis-Bacon regulations prevailing wages, whether the prevailing wages are under Davis-Bacon Federal statutes or under local State prevailing wage statutes, they do not drive up the cost of school construction.

What they found is that when you take away the prevailing wages statutes, whether you, at the State level they have taken away, several States have repealed their State prevailing wage statutes where if State money was being utilized and no Federal money was being utilized, they would not be subjected to the prevailing wage requirement. That has happened.

What has happened is that the workers wages have always gone down. But

the cost of construction has either remained the same or gone up. What you have is the contractors walk away with a bigger profit. That is what the great war against Davis-Bacon is all about. There are contractors, large numbers of them, very powerful who want to make quick kills. They want to go in and make as much money as possible and get out. They know that untrained workers, people who are not receiving Davis-Bacon prevailing wages, often do shoddy work, but they do not care. They are willing to take their chances on litigation.

There has been so much of that, so many contractors out there who fight Davis-Bacon; who fight prevailing wages; who want a jungle. They want to be able to go in a wild situation, and be able to work their will and get maximum profits. So many of them out there have ruined the atmosphere and the environment for construction to the point where there are now large numbers of business people, including the Business Roundtable, who have concluded that they would rather deal with Davis-Bacon contractors.

Davis-Bacon contractors who work under Davis-Bacon regulations and are willing to do it, not fighting it, they have set up systems for training workers. They have done more to combat discrimination in the construction industry than any other set of forces or laws have done.

Yes; there is still construction industry discrimination in many places. I will not argue there is not. But the Davis-Bacon workers, with their training programs working with the government, stabilizing situations have made a great number of gains in terms of ending discrimination for people who are in those training programs, and allowing them to rise through the ranks, as well as creating a well-trained, stable force.

We are going to find ourselves in a situation where we do not have enough trained sheet metal workers, plumbers and bricklayers. We are going to find ourselves in a serious situation if we do not do a better job of training. Of course, the contractors, the itinerant contractors, the guys who want to make the quick kill, they do not care about the future. They only care about making a quick kill. We have had buildings fall down, school walls fall down as a result of sloppy work.

New York City, we had, in the middle of the city, we had enormous traffic jams for almost a month because the bricks were falling off the side of a building. The quick-kill artists, the itinerant contractors had done such a good job of covering up who they were, they could not find out who was responsible for the bricks that were falling out so they could sue them or make them put it back up. It was just the whole game that certain parts of the contracting industry play; whether they go out of business, go bankrupt, appear under some other name, all the games are easier to play when you are

not among the more responsible contractors who are willing to participate in the Federal program that is going to train workers and cooperate with Davis-Bacon.

So the Business Roundtable came to the conclusion that they were going to consider, even though they were private contractors and not obligated to use Davis-Bacon contracts, they were going to consider setting the standard whereby as they bid on, they put out the bids, they were going to call for contractors to be participating in the Davis-Bacon program.

Each construction project should be considered a monument for the future, not so much because we are worried about being in the future generations looking back on us as Greeks or Romans and praising us for our great buildings. But the buildings have to be safe; they have to be functional. There are many large residences, co-ops, condominiums where people have had to pay large amounts of money, big prices and still find themselves suffering from leaking roofs and plumbing that does not work, all kinds of phenomena that arise as a result of the wild cat, quick-kill contractors who have no standards.

But the Republican majority refuses to accept the evidence. They want to make war on Davis-Bacon and they continue. We have had hearings in the last 2 or 3 years, several hearings on Davis-Bacon. We had an attempt to smear Davis-Bacon as an inevitably crooked operation. Take the Oklahoma example and make it apply all over the country. We have refused in our hearings, I will not say we because I am just a Democrat. The Republican majority, which controls the subcommittee and the committee, they refuse to listen to responsible representatives of the contracting industry.

Yes; of course they will not listen to workers. They do not want to listen to unions. They want to silence unions. But here are businessmen, the Mechanical Electrical Sheet Metal Alliance is one of them. They begged our committee to allow it to testify; let us come and talk to you. It did not happen.

In fact, I have a letter here which I would like to enter into the RECORD, and it is a letter from the Mechanical Electrical Sheet Metal Alliance where they say, on behalf of the Mechanical Electrical Sheet Metal Alliance, a coalition of more than 12,000 construction contracting corporations in the specialty sector of the construction industry, I want to propose a number of administrative improvements to the Davis-Bacon Act. We believe these administrative initiatives, if implemented, would significantly improve the quality, accuracy and timeliness of the prevailing wage determination process.

The Mechanical Electrical Sheet Metal Alliance is a coalition of members of the Mechanical Contractors Association of America and the National Electrical Contractors Association and

the Sheet Metal and Air Conditioning Contractors' National Association. It represents more than 12,000 construction contracting firms nationwide which exclusively employ more than 540,000 union trades people with state-of-the-art technical abilities.

I will include this letter for the RECORD:

THE MECHANICAL ELECTRICAL
SHEET METAL ALLIANCE
March 20, 1998.

Mr. BILL GROSS,
Employment Standards Division, U.S. Department of Labor, Washington, DC.

DEAR MR. GROSS: On behalf of the Mechanical Electrical Sheet Metal Alliance, a coalition of more than 12,000 construction contracting corporations in the specialty sector of the construction industry, I want to propose a number of administrative improvements to the Davis-Bacon Act. We believe these administrative initiatives, if implemented, would significantly improve the quality, accuracy and timeliness of the prevailing wage determination process.

The Mechanical Electrical Sheet Metal Alliance is a coalition of members of the Mechanical Contractors Association of America (MCAA), the National Electrical Contractors Association (NECA) and the Sheet Metal and Air Conditioning Contractors' National Association (SMACNA). It represents more than 12,000 construction contracting firms nationwide which exclusively employ more than 540,000 union trades people with state-of-the-art technical abilities. Alliance contractors hold a growing market share of more than 60 percent of the nation's non-residential construction activity. Alliance contractors annually train over 90,000 apprentice and journey persons upgrade training at a cost exceeding \$175 million. These union contractor firms and their local association chapters sponsor over 1,000 local training programs staffed by approximately 5,600 instructors utilizing equipment and facilities owned by the training programs valued at more than \$500 million.

The Alliance fully supports Employment Standards Administration (ESA) efforts to improve the wage determination process and the quality, accuracy, and timeliness of the wage rates. We support efforts to find new ways to administer the process with greater efficiency so that the resources saved can be used on increased compliance measures.

Mechanical Contractors Association of America, Inc., National Electrical Contractors Association, Sheet Metal and Air Conditioning Contractors' National Association, Inc.

One example of business and labor, business and working families who are not afraid to work together, and as a result of working together under a government regulation, a government regulation which, by the way, was constructed by Republicans, Herbert Hoover, Bacon, Davis, all Republicans. It made sense then; it makes sense now.

Republicans, call off your war on Davis-Bacon. Do not make war on Davis-Bacon. It does not make sense. It is out of step with reality. It is out of step with the present situation where we have unprecedented prosperity, and we should be seeking ways to spread that prosperity. Republicans, call off your war against the minimum wage increase.

Let us go forward and get behind the more, the most reasonable bill. I really think we should increase the minimum

wage to the level of the livable wage. In New York, we have a provision now for all people who contract with the city of New York. They must pay a livable wage, which is above the minimum wage. We ought to go for that, but the realities of the situation are that the President and Senator KENNEDY in the Senate and Mr. BONIOR, minority leader here, they all agree that we can take, and it is doable now, more modest steps at 50 cents an hour in two steps over the next 2 years.

So 50 cents an hour increase on January 1, 1999, is proposed, and another 50 cents an hour increase on January 1, 2000. That means that in the year 2000 workers will be earning \$6.15 an hour. In this indispensable Nation where the Dow Jones average is at 9000 and philanthropists are making billion-dollar contributions now, why can we not at least without too much discussion or further delay and more fighting by the Republican majority go on to increase the minimum wage by a dollar over a 2-year period?

Three polls taken in January of 1998 show that the American people overwhelmingly support an increase in the minimum wage. The Washington Post, Los Angeles Times and Peter Hart research poll showed support for raising the minimum wage ranging from 76 to 78 percent. Seventy-eight percent of the American people want an increase in the minimum wage. It is political; you cannot lose, Republican majority. Join us for a minimum wage increase.

The last increase in the minimum wage has not cost jobs. According to a new study released by economists David Card and Alan Krueger, employment in the fast food industry in eastern Pennsylvania actually went up by 11 percent after the 1996 minimum wage increase.

The Economic Policy Institute recently released a study entitled, "The Sky Hasn't Fallen," which determined that employment was not adversely affected by the last increase. They had a study, Pennsylvania did not have a State minimum wage higher than the Federal minimum wage. New Jersey had a minimum wage already, a State minimum wage higher than the Federal minimum wage.

When the Federal minimum wage went up, New Jersey was not affected because it was already above that level. But Pennsylvania, the industries in Pennsylvania had to raise their minimum wage. They studied the fast food industry in Pennsylvania and the fast food industry in New Jersey, and they found that Pennsylvania industry did not suffer any loss of profits at all compared to the New Jersey situation where they already were there. It was equal. There was no difference. Pennsylvania did not suffer as a result of having its fast food workers begin to earn more pay via the minimum wage.

Consider the fact that today a single mother with two children working full time at a minimum wage job earns \$10,700 a year. That is \$2,600 below the

poverty line as defined by the Federal Government. An increase of \$1 an hour only partially restores some of the lost buying power of this person. On and on it goes.

There are studies that show that the minimum wage does not hurt the economy even in times of normal economic growth. In a time like this when our GPI, the other measures of prosperity, Dow Jones average, leaping forward, surely we can at least spread the wealth by increasing the minimum wage.

There are many other labor issues, which I mentioned before that should be considered as we call upon the Republicans to end what I call now a microguerilla warfare. They are chipping away behind the scenes. Remember in January of 1997, we passed a bill on this floor which took away cash overtime. Fortunately, it has not gone any further. The other House has not considered it. But it is out there. This Congress passed it. It is still alive in this session. We took away the overtime and replaced it with comp time. That war on workers may hurt most of all, and people cannot get cash.

I remember I offered on this floor an amendment which said, okay, if you want to compromise, let us offer your compromise where people who are in the highest strata earning salaries, and they want more time to spend with their kids instead of more money, let them. Those who earn a certain amount of money above the minimum wage level, I think the figure was something like \$11,000, everybody who earned less than \$11,000 a year should be exempt from that requirement that they take their overtime in comp time instead of cash because they need the cash.

Can you consider people making \$11-\$12,000, how much they need the cash? That exemption made so much sense, but it was not permitted. It was voted down on the floor and we passed the bill anyhow. It is out there somewhere. The guerilla tactics means that one day as the session approaches the end, we may have the Republican majority offering that again here on the floor.

I close by saying that that is just one of the many microattacks; that is one of the many ambushes we have to fear. The bigger attack is still proposition 226 in California. That is what is similar to the Paycheck Protection Act here. California has the Paycheck Protection Act out there in a proposition.

□ 2245

California has done a lot of damage with propositions lately. And the referendum proposition 226 will require unions to get annual approval of individual members before they can use any dues money for political purposes. If approved, the California proposal will become law in July and will greatly limit labor's role in November's pivotal gubernatorial election.

Here is the political process directly being affected. If that proposition

passes, labor gets crippled. Backers of the California initiative said they plan to spend at least \$10 million. Polls show that 70 percent of the voters support the proposal.

A lot of people are misguided and think this is democracy. They think we should have more democracy, unions should be more democratic. I say this is the kind of democracy that we choke on, this is the kind of democracy designed to destroy and kill organizations.

Similar proposals have been introduced in 30 other States and are actively being pushed by conservative and business groups. Supporters say these groups expect to spend \$20 million outside of California this year.

This is the threat. This is the guerilla attack now coming up through the States. They will not win here this year. But if they can generate enough momentum through the States, we will have in the not-too-distant future a bill which gags working families. The voice of the working family would be shut out of the dialogue and the debate. America would no longer be an open society. It would be an endangered society.

CORRECTION TO THE CONGRESSIONAL RECORD OF THURSDAY, MARCH 26, 1998, PAGES H-1626 TO H-1631

GOP NATIONAL SALES TAX IS BAD IDEA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PALLONE. Mr. Speaker, this evening the Democrats plan to discuss the Republican plan to abolish the Tax Code and replace it with either a flat tax or a sales tax.

I yield at this point to the gentleman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I thank the gentleman from New Jersey and I also thank my other colleagues who were on the floor and those who are coming tonight to join in this special order to talk about the need to cut taxes for working middle-class families and to reveal the true cost, as my colleague from New Jersey pointed out, the true cost of a dangerous Republican proposal to impose a national sales tax on the American people.

We have heard quite a bit lately from our Republican colleagues about tax reform. But behind the rhetoric and the calls to "scrap the code," that mantra, if you will, repeated over and over again to scrap the code, behind the rhetoric of that phrase lie some very radical and some dangerous proposals that will actually raise taxes on working families and cut taxes for the wealthiest 1 percent of taxpayers.