How Big Labor Brings Home the Bacon

by Gregg Easterbrook

On Symphony Road in Boston's Fenway district, a contractor is gutting an old building to make apartments for the poor. The renovation is costing $23,000 per unit, and the finished apartments will rent to eligible families for $225 to $375 per month. About a block away, another contractor is fixing up a similar building for a similar purpose. The finished apartments won't be any bigger or better than the apartments on Symphony Road. But there will be one big difference. They'll cost $39,000 each to complete, and will rent for $600 or more.

Sounds like somebody is ripping off the poor. Somebody is. Only this time it isn't the banks, the slumlords, or the faceless multinationals. It's the AFL-CIO, with the consent and assistance of the federal government. In our land of unlimited possibilities, even the defender of the working man has devised a respectable way to steal from the poor.

One rehab is costing more than the other because the construction workers fixing it up are being paid significantly more. In the $23,000 building, a carpenter makes $13.34 an hour—not too shabby. In the $39,000 building, a carpenter makes $19 an hour. Both are doing the same work. In the cheaper building, a plumber makes $15.55 an hour and an electrician $16.27; in the more expensive one, a plumber makes $21.16 and an electrician $20.18. When you add up all the extra wages for workers in the more expensive building you get a surcharge of $16,000, which you pass along to the poor.

This enlightened arrangement is imposed by federal law. The $39,000 apartments are being renovated under a grant from the Department of Housing and Urban Development—which means they are a federal construction project, which means wages must comply with something called the Davis-Bacon Act, which means inflated prices.

Under Davis-Bacon, all construction workers in projects involving federal funds must be paid the "prevailing wage." That sounds so self-evident you may wonder why anybody bothered writing it down, let alone enacting it into law. But the construction-trades unions know why. Using bureaucratic flash powder and presto-chango, the Department of Labor sees to it that the "prevailing wage" often means the highest possible union wage. In Montgomery County, Maryland, just outside Washington, you can hire a bulldozer operator for about $9 per hour. Yet when construction of Metro, Washington's subway, pushed into the county, Labor officials ordered that bulldozer operators be paid $13.72 per hour. They ordered similarly inflated wages for other Metro workers. The net result, according to the General Accounting Office, is that Metro will cost at least $149 million more than it should. Pay more, get less is the government's motto when it comes to construction—less

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housing for the poor, or less subway. Construction of Metro lines to Washington's comfy white suburbs continues apace. But construction of the line to Anacostia, the city's poorest and hardest-to-reach area, has been postponed indefinitely. Reason: "fiscal constraints."

What's that you say? You don't care about the poor? How fashionable of you! Then maybe you care about the environment. Davis-Bacon has so inflated the cost of pollution-control projects that the EPA's plan to finance a nationwide series of water-treatment plants has largely been stymied. A treatment plant in Houston, for instance, was held up and nearly canceled because Davis-Bacon inflated the price of its filter houses and dryers by 55 percent.

What? You don't care about the environment either? You devil you, you must have known about tree pollution long before the rest of us. Surely, though, you must care about national security. Davis-Bacon is slowing construction of the Strategic Petroleum Reserve to a crawl, and slowing renovation of military bases. It will add many billions of dollars to the proposed MX missile system, which is essentially a construction project, thus delaying its completion for years.

The Davis-Bacon Act sets taxpayers back at least $2 billion a year in federal construction wages. It also indirectly inflates the cost of private construction, by "importing" high union wages into non-union areas, and driving small, cost-conscious contractors out of business. The total inflationary impact of Davis-Bacon is estimated to be as high as $20 billion a year.

In Washington, a city seemingly bent on creating automatic all-weather inflation guarantees, Davis-Bacon is a triumph of the art. It is artistically pure and uncompromised, serving no purpose whatsoever other than to raise prices. The act not only means higher wages for union workers on federal construction jobs, but non-union workers as well, helping enhance Big Labor's image and expand its scope. It's one reason building unions have expanded with such success, organizing more than 40 percent of the country's construction workers. "Davis-Bacon is the greatest treasure in Big Labor's chest," notes a unionized contractor.

Labor proponents paint Davis-Bacon not as a goodie, but as the last faint hope of a shoeless proletariat. Senator Harrison Williams, who until the Republican Senate takeover was chairman of the Labor Committee, says the law keeps "the living standards of construction workers" from being "sacrificed in the battle against inflation." Construction workers suffer from a peculiar form of exploitation—they are among the highest-paid workers in the country. In 1978, the average construction worker made more than $8 an hour, while the average for manufacturing workers was about $5.50 an hour, and the average for all workers was much lower than that. In the battle against inflation, not only have construction workers not been sacrificed, they have yet to be conscripted—while the consumer price index rose 63 percent between 1969 and 1979, construction wages rose 130 percent.

Davis-Bacon insures that average taxpaying stiffs shell out to subsidize this cream of the working crop, and it's an especially white cream. Only about ten percent of journeymen in the building trades are black or Hispanic, far less than the share of minority group members in the population; union work rules are carefully calculated to keep it that way. (In construction, a journeyman is not a pitcher whose fastball can be clocked with a sundial, but an experienced worker with seniority.)

So Davis-Bacon seems like exactly the kind of boondoggle Ronald Reagan is looking for. It wastes taxes and increases the deficit without accomplishing anything. It subsidizes those who don't need it. And best of all, it's not fogged up by complex interrelationships with due-process rights and land-use planning in the Yucatan. Davis-Bacon can be dealt with swiftly and decisively, simply by repealing the law. Repeal would lower taxes, speed up important federal projects, stimulate the construction business, and increase opportunities for blacks and Hispanics. Bing, bang, boom. All it requires is a president with the courage of his convictions, a sincere belief in free-market economics, and a willingness to stand up to Big Labor, which should be good practice for standing up to the Russians.

Symptoms of Depression

As soon as Reagan wakes up from his nap, we'll ask him if he is that president. Meanwhile, let's see how Davis-Bacon works.

The law was passed in 1931, intended to combat the desperation of the Depression. At that time, the federal government was about the only builder anywhere. Jobs were so scarce and times were so hard that workers—especially Southern blacks—were fighting just for subsistence wages. Southern contractors formed "roving gangs" of starving blacks and traveled around the country, bidding on federal construc-

tion. They underbid whatever the already depressed local "prevailing wage" happened to be. By ordering that federal construction pay the "prevailing wage," Congress not only took away the "roving gangs" advantage, but heated up the economy in keeping with the spend-your-way-out theory of ending the Depression. States began passing "little Davis-Bacons" that ordered prevailing wages for state and local construction; 40 states have them now.

The plumber making $21.16 is not a homeless dustbowl waif; however, the anti-Depression mechanisms of the act, whose purpose has long since expired, continue to jack up his wages.

Suppose, for example, you are a painting contractor in Carson City, Nevada. King Soopers is finishing a new supermarket, and wants it painted. It calls for bids. You figure out your cost of paints and materials, how many people you need and what to pay them, figure in the highest profit you dare, and submit a bid. If you're lower than everybody else, you get the job. King Soopers does not ask to see your books, or negotiate individual items, like whether you pay painters or truck drivers more. It just asks how much you want, and when you can finish.

Now suppose the government is finishing a courthouse and wants it painted. You still have to bid on materials and timing, but you can't bid on labor. Washington will set the labor rates, and every contractor wanting the job must bid the same rates. To set the rates, the Department of Labor will dispatch surveyors, whose purpose, even liberal economist Charles Schultze has said, is to pump wages up to "the construction union scale in the nearest large city."

Here's where the fun begins. The simplest way surveyors can express their pro-union bias is by not reporting evidence of non-union wages. The GAO found that when one Labor surveyor was setting wages for a residential housing project in California, he "systematically excluded" mention of 113 local carpenters making $2.50 to $4.50 an hour, recording only higher wages. If he had included the low-end wages in his survey, GAO said, he would have found the prevailing wage for carpenters to be $4.85. Instead he found it to be $6.54 an hour, and that's what the government paid.

A Labor surveyor can be somewhat more subtle, and base wages on projects that have nothing to do with the business at hand, but pay better. When a U.S. Postal Service office air conditioner in Cumberland, North Carolina, needed overhaul, instead of examining other nearby air-conditioning jobs the Labor surveyor looked at a range of 53 projects, including installation of a sprinkler system in a men's formal wear shop.

Roller Disco

But sometimes these little expediencies aren't enough. Maybe it turns out all nearby construction workers are making pretty much the same thing—in other words, the surveyor has accidentally found the actual "prevailing wage." That will never do. So he declares that nothing in the area is similar to the project under consideration, forcing him to "import" wages from somewhere else. That somewhere else is a large city, which will probably be unionized, and thus have higher rates. "Importing wage determinations has one and only one purpose," said a member of the Carter White House's Domestic Policy Staff. "It puts union wages into non-union areas. It doesn't matter if there's no union in Dubuque. They just bring in union rates from Chicago."

The Department of Labor has become particularly adept at this procedure. Twenty-five to 38 percent of its wage determinations in building construction come from "noncontiguous counties," as Labor calls them, the GAO found. In highway construction and similar work, GAO says, as much as 73 percent of the wages are airlifted in. A study by the University of Chicago further demonstrates the pro-union bias. In setting Davis-Bacon wages for projects in counties of more than 500,000 people—that is, large cities—Labor considered "noncontiguous" wage rates less than 15 percent of the time. In setting wages for counties of fewer than 5,000 people—that is, non-union towns—Labor brought in "noncontiguous" rates 95 percent of the time.

Most often surveyors at least attempt to present some reason for wage importing, citing "specialized skills" or "unique circumstances." At other times, they drop all pretense. Consider Cape May, New Jersey, a small town in the state's sparsely populated, low-cost-of-living coastal area.

Cape May needed road repairs, and asked local contractors for bids. One, McCarthy Paving Co., bid the job based on local wages, like $5 an hour for a roller operator. Then New Jersey's Department of Labor ruled that the state's "little" Davis-Bacon law applied. It imposed a roller-operator wage of $16.

Running a roller—those big black cylinders with a seat on top—is little more than unskilled labor. "I can teach you to be a roller operator in

half an hour," said Jerald Barrett of McCarthy Paving. "When you want to go forward, push the stick forward. When you want to go back, pull it back. There. Now you're a roller operator."

McCarthy Paving still could have taken the contract, and not suffered immediately from the inflated wage structure. After all the government was paying for the job, so McCarthy Paving could just pass the costs along. But the company withdrew from the bidding, as do most non-union contractors faced with Davis-Bacon rates. "Once I've paid a man $16 to run the roller, how am I going to keep him happy at $5?" Barrett asked. "Wages like that tear a company up. How do I keep the rest of my people who don't get on this sweetheart job happy? I have tar-distributors [a skilled position that requires knowledge of math and drafting] who've been with me for ten years and are making $9 an hour. Nine dollars is a decent wage. What happens when they hear I took some guy in off the street and paid him $16 to sit on the roller?"

McCarthy Paving and other local contractors sued the state over its wage determinations. During the trial, they asked where the $16 figure came from. "Newark," was the reply. Newark, 250 miles from Cape May, is the most populous and heavily unionized city in the state.

Road paving, of course, involves no "specialized skills" or "unique circumstances." It is among the most common and simple construction activities. It's so simple, in fact, that Cape May's surrounding Cape May County government decided to go into the business itself. The county commissioners found they could buy their own paving equipment and hire permanent civil-service workers to run it for less than the cost of contracting out under Davis-Bacon. At present more than a dozen southern New Jersey towns have established road-paving departments, and more are planning to. What, then, has been the effect of Davis-Bacon in southern New Jersey? You guessed it—local contractors are out of work.

The 30% Solution

And if you liked that, you'll love something called the "30 percent rule." Like wage-importing and other survey techniques, it isn't part of the original Davis-Bacon statute. It's just a "rule," something the Department of Labor dreamed up on a rainy Saturday afternoon. To a bulldozer operator, it's the most golden rule of all.

Here's how it works. Unions negotiate wages by "classification." In other words, every unionized sheetmetal worker in Duluth gets the same hourly wage, say $10 an hour, regardless of what company he works for. But non-union companies do their negotiating separately. So a sheetmetal worker at one non-union Duluth company might get $11 an hour, while one at a different company gets $9 and so on.

When Labor surveyors go to Duluth to set wages for a government project, they're supposed to examine all workers in the same classification. So if, for example, Duluth were a 100 percent union town, the Davis-Bacon wage would have to be $10, since that's what every sheetmetal worker in Duluth would be making. (Unless the surveyors cooked up an excuse to throw Newark wages into the survey.)

Liberals favor handouts to the needy; conservatives favor handouts to the well-to-do. Davis-Bacon passes the latter test.

Many towns, however, have both union and non-union workers, so surveyors must determine what the majority are paid. If, say, 60 percent of Duluth's sheetmetal workers are getting $10, then that's the majority, and that's the federal wage.

You've been waiting for the Big But, and here it is: BUT what if there isn't a clear majority? What if 31 percent are making $10 and 30 percent are making $9 and 30 percent are making $8 and the rest are making less? Then the wage selected is the *highest* wage for the greatest number of workers over 30 percent. Get it? Even though in Duluth as a whole (greater metropolitan Duluth, one might say) only 31 percent of sheetmetal workers are making $10, on the federal job *everybody* makes $10.

With rare exceptions, collectively bargained

union wages are the highest in any given area. So this means that, by organizing only 31 percent of an area's workers, unions can effectively set rates for *all* an area's workers, at least as far as government construction is concerned.

Have you ever asked yourself, "How come if unions represent so few people, they have so much power?" Now answer yourself.

Remember the painting contractor in Nevada? The Department of Labor actually sent surveyors to Carson City three years ago. The dauntless team of streetwise investigators found exactly eight painters. Three of them were making $12.40 an hour—damn good painters, one presumes, probably impressionists. The other five were making from $6.25 to $9 an hour. But since three out of eight is 38 percent, the 30 percent rule kicked in and the wage for government painters in Carson City was set at $12.40 an hour.

Wait, wait, there's more. The Department of Labor can inflate construction wages using a variety of other methods, too. One involves the *type* of rate contractors charge. Most builders have a series of rates; low "residential" rates for housing, which is relatively easy to construct; higher "heavy" rates for highways, dams and similar projects; and steep "building" rates for high-rises and skyscrapers, which is the most difficult and dangerous type of work. On that water-treatment plant in Houston, for example, the Department of Labor decided a "heavy" wage for a cement mason would be $7.17 an hour, while a "building" wage for the same worker would be $11. So part of Davis-Bacon is a determination of whether residential, heavy or building rates apply to a project. The Houston plant was ruled to be "building" construction.

Washington's Metro subway will be so expensive in part because the entire system was classified a "building" project, even though most of its trackage is above ground, and above-ground rail construction more closely resembles heavy-rate highway work than anything else. The Department of Labor has gone so far as to admit in congressional testimony that its practice of imposing building rates on federally financed housing for the poor costs $50 million a year.

To experience for yourself the actual procedure by which the Department of Labor chooses among these three rates, write the words RESIDENTIAL, HEAVY, and BUILDING on a dartboard. Close your eyes, and grasp a dart. Then throw the dart out of the window and choose BUILDING.

Another favor Labor does for federal projects is to determine what work rules apply, specifically whether union rules must be observed. Unions have lots of rules regarding hours and specialization and who is authorized to throw a line to a steeplejack if he's about to fall off a building, but the key rule is the ratio of journeymen to apprentices. As mentioned before, journeymen have experience and seniority; apprentices are new on the job. Some construction skills, like being an electrician, take years to learn, and in them journeymen do notably superior work. But in many "classifications," like sitting on a roller and pushing a stick, journeymen and apprentices are interchangeable.

The important differences between journeymen and apprentices, however, involve not performance, but money and race. Apprentices make a lot less than journeymen. In the case of the housing rehabs in Boston's Fenway, where the Davis-Bacon carpenter was making $19 an hour, his apprentice was making $15.89. His counterpart, the private-project carpenter making $13.34 an hour, was assisted by an apprentice making $6.62. So a contractor would be able to charge a lot less if he could use more apprentices, but union (and hence Davis-Bacon) rules usually dictate at least five journeymen for every apprentice. Contractors would also be able to hire a lot more minority men and women, since most union journeymen are white and male, while apprentices may be some combination less desirable from the union's standpoint. "Davis-Bacon rules are white craft guild rules that make it very difficult to get minority people into a project," said Phillip Mayfield of O.K.M. Associates, an adviser to the Boston rehab project.

Apprentices not only threaten the union's status as a white enclave, but also its monopoly position. Limiting the number of apprentices limits the number of people who are available for promotion to journeyman, which means unions can demand higher wages for the few who make it. Of course, this means fewer workers can be employed, especially blacks and Hispanics. We might all be better off if there were lots of carpenters earning $13.34 an hour, instead of a handful earning $19. But making us all better off is not the Department of Labor's job. That's up to Congress.

Washington rulings about apprentice ratios not only inflate construction costs, but sabotage other government programs. Senator Jake Garn discovered last year, for instance, that at a HUD-sponsored self-help project in New York, where

federal funds were going ostensibly to teach minority workers housing rehabilitation and building trades, the Department of Labor had imposed a ratio of 14 journeymen (teachers) to every one apprentice (student). The situation was so ridiculous, even Senator Williams pressured Labor for a change. Now the ratio is one journeyman (teacher) for every seven apprentices (students), which is a good ratio for instruction, and also Labor's way of saying its original ruling was only off by a factor of 98.

No Appeal

Sometimes, even the best-laid inflationary plans go awry. Labor survey teams occasionally dream up rates that are *lower* than the true prevailing wage, thus insuring that the few workers who don't enjoy windfall are zapped with an undeserved penalty. The Labor wage-setting apparatus is so scrambled that GAO has audited it seven times in the last ten years, and each time has come away with progressively more negative findings. In 1979 the normally reticent GAO said Labor had become so disorganized it couldn't administer Davis-Bacon fairly even if it wanted to, and called for the act's repeal.

It's a mistake to think, however, that workers are the only ones who benefit from Davis-Bacon. When the act inflates the cost of a government job, contractors don't just pass that cost along to the taxpayer—first they add their overhead and profit markups. So the higher the inflated wage, the greater the contractor's profit. This means contractors doing all or most of their work on federal jobs (usually union contractors) are quite content with the law. Since the government is by far the largest construction buyer—some $45 billion of last year's $200 billion construction industry was government work—this makes for a lot of fat, happy contractors to lobby for Davis-Bacon's preservation.

"Under this act the government basically says, 'We, as customer, insist on paying the highest possible price,'" notes Armand Thieblot, an economics professor at the University of Maryland. "How many businessmen do you suppose will say, 'We refuse to charge the highest price'?"

The contractors who don't want the highest price generally are the small, non-union shops who fear a few months of inflated work will destroy their wage structures. Davis-Bacon rates for one federal housing project in Stoughton, Wisconsin, were set so much higher than local rates that all the contractors who bid on the contract dropped out, fearing disruption of the rest of their businesses. The housing developer then had no choice but to find an out-of-town contractor to take the job—an interesting inversion of the "roving gangs" protection Davis-Bacon was supposed to provide.

It is possible to appeal a Davis-Bacon wage determination, but such appeals are rare, since they are costly and time-consuming, and offer no assurance that the contractor doing the appealing (that is, demanding the right to charge less) will end up with the job after a new ruling. When MARTA, the Atlanta subway authority, got its Davis-Bacon wage structure in 1975, it appealed. MARTA economists figured the inflated wages would drive the cost of their subway up by at least $100 million. MARTA eventually prevailed and had its wage structure re-written, but construction start-up was delayed while the appeal dragged its way through hearing boards. In the process interest and carrying costs for the non-work ran at $200,000 a day, a bill that was forwarded to guess who?

Can't Hire Taipei Paving

The Davis-Bacon statute itself, as it was written in the Depression, applies only to construction undertaken directly by Washington, like post offices. It has expanded in influence both through the "little" Davis-Bacons and by being written into other federal statutes. Some 77 federal laws, involving loan-guarantees and other indirect federal financing, now say all sponsored projects must abide by Davis-Bacon rules. The laws include the Commercial Fisheries Research and Development Act, the Indian Self-Determination and Educational Assistance Act, the National Technical Institutes for the Deaf Act, and the Domestic Volunteer Service Act. Davis-Bacon insures that money committed to the programs under these acts is channeled away from those it is intended to help to those who need it least.

How do the construction unions continue to get away with it? One reason is that they are one of the few segments of the economy that does not compete with overseas labor. Those teeming hordes of cheap, obedient workers in faraway lands serve as a kind of relief valve for wages. If a manufacturing union pushes its wages too high, management might react by moving operations elsewhere. In construction, there is no such alternative. You cannot have your subway tunnel dug in Hong Kong and shipped here.

Another reason is the protective shield the Department of Labor lowers over Big Labor, its

Another Slice of Bacon

Of course, not every federal worker gets a deal as sweet as the one given construction workers under Davis-Bacon. At least not yet. The wage-inflating mechanisms perfected under Davis-Bacon are slowly being cranked into other federal pay systems.

Most prominent is PL 92-392, or the Blue Collar Pay Act. It covers non-civil-service civilian federal workers. Under this act, federal agencies conduct Davis-Bacon-like surveys to discover a "prevailing wage" for private jobs similar to the public job in question. But to escape the stigma of the term "prevailing wage," which is Washington code for "inflated windfall wage," the survey result is called the "payline." Federal blue-collar workers are then placed on a "step" ladder of automatic raises—yes, just like the civil-service "step" raises their supervisors treasure.

For the first six months, a worker gets 96 percent of the payline. Then he gets 100 percent, or the same as a comparable private-sector job would pay. Then he gets a step raise to 104 percent, then 108 percent, then finally 112 percent. You heard that right. The law whose ostensible purpose is to make federal blue-collar wages "comparable" to private wages says in shameless black and white that workers with seniority get 12 percent *more* than the comparable private job. And like civil-service step raises, these premiums are automatic. Workers get them no matter how well they perform, as long as they meet a minimal standard of feasance, like not molesting pre-teen girls in the back of government vehicles.

PL 92-392 also contains something called the Monroney Amendment. Its purpose is to make high union wages from urban areas applicable in non-union rural areas, and it functions exactly like the "importation" section of Davis-Bacon. Thus workers at Robins Air Force Base in Macon, Georgia, are not paid the prevailing wage for private workers doing similar jobs in Macon. They are paid Atlanta wages. This costs an extra $23 million a year, the Pentagon estimates.

One effect of the law is that since its passage in 1972, federal blue-collar wages have been rising faster than white-collar salaries. "A major employee-management problem at the Department of Defense" has resulted, a congressional hearing was told, and guess what solution was proposed: "prevailing wage" raises for white-collar employees, too.

President Ford tried twice to change PL 92-392, President Carter tried once, and both failed. (In the process a new law called the Service Contract Act, extending Davis-Bacon-like wage determinations to workers in window cleaning, garbage collection, and other contract services, was added.) Leading the fight against reform of PL 92-392 were congressmen from districts such as Macon that are raking in a bonus for workers (voters) and a subsidy for the local economy. One might pause here to note that Davis-Bacon and PL 92-392 are endorsed most vocally by philosophically liberal congressmen from urban, unionized areas. They are condemned most vocally by philosophically conservative congressmen from rural, non-union areas. But rural workers getting inflated wages are a prime beneficiary of the law. So subsidies from urban taxpayers to rural workers are favored by urban congressmen and opposed by rural congressmen. Welcome to the big leagues.

Pascale Petosa, a top official in the Pentagon's civilian personnel office, estimates that PL 92-392 wage inflation costs $400 million to $600 million per year. (The Pentagon has 370,000 civilian blue-collar employees.) He is pessimistic about reform, even under Reagan.

"Everybody wants more," Petosa says. "The workers want more. The contractors want more. The managers want more. Things are coming apart at the seams, and all anybody wants to talk about is how to get more money. There's nobody to represent the taxpayer and ask, 'Where's it supposed to come from?'

"I have no illusions about cutting costs," Petosa added. "I just want my epitaph to read, HE GAVE IN MORE SLOWLY."

—*G.E.*

primary constituent. When asked why government should not try to get the best deal on construction wages, just as it should get the best deal on roofing pitch and vanilla extract, Nik Edes, a deputy undersecretary of Labor, expressed revulsion for the very notion. "Wages should not be the mechanism for the competitive edge in government contracting," Edes said. "Labor is not a commodity suitable for competition." Edes suggested that businessmen should compete for government contracts by offering efficient management and cutting costs on materials.

Excluding labor from competition no doubt helps keep $19-an-hour carpenters from becoming alienated over exploitation of their surplus value, but it's difficult to see how businessmen can magically compete on materials without indirect labor competition. Competing on materials means getting them cheaply, and that often means finding suppliers who pay their workers as little as possible. This tends to put suppliers who pay their workers high wages out of business. But far more important, labor *is* treated like a commodity when it is poured down the drain, which is exactly what Davis-Bacon does with it. If the government could pay individual construction workers less—not little, mind you, just less—it would be able to employ more of them. Government could build more housing for the poor, more water-treatment plants and subway stations, enhancing the general good as well as increasing employment.

Those good things—more government construction and more jobs—could happen only with true competition, and "competition" is a dirty word in Washington. (One HUD report defending the Davis-Bacon Act refers to price-undercutting on contracts as "an unscrupulous practice.") The prevailing attitude in Washington—and state and local offices across the nation—is that running up the public's bill is what government is all about. From defense contractors to insurance carriers to doctors and hospitals billing for Medicare, everyone saves his highest price for government. It's just assumed The People pay the limit. The attitude starts at the top and works its way down; government is headed by congressmen who say they cannot live on $60,000—more than four times the median family income of the people they govern—and fly into righteous fury when someone proposes that they pay for their parking.

Edes was asked what might happen if Davis-Bacon were repealed. His voice dropped a dark octave and he warned, "Why, that would lead to a lot of unfair competition in which people would try to cut costs...."

'Tis Better to Give Than Repeal

Hold on—what's that I hear? It's the clatter of horse hooves in the East Wing. That must mean Reagan has awakened from his nap, his waving hand refreshed and rejuvenated. He must be ready to do battle with the unions. What can we expect of the conservative Republican with the landslide legislative mandate?

During the early campaign, Reagan called Davis-Bacon "a needless burden on local taxpayers" and "a gift of tax funds to the affluent." But that was before he endorsed the Chrysler bail-out, before he said forget about a national right-to-work law, before he started sipping tea with those upstanding community leaders, the Teamsters, and before he said, in an October speech in Youngstown, Ohio, that he wouldn't try to repeal Davis-Bacon. Reagan did say Davis-Bacon administration should be "tightened up." Possibly he means to eliminate that "waste and fraud" he's ever on the watch for, establishing once again that he will not sell out to any interest group that openly advocates fraud (it's going to be a rough four years for the Pennsylvania congressional delegation).

Meanwhile, hard-line conservative Senator Orrin Hatch, who made loud noises about Davis-Bacon repeal when he rose to chairmanship of the Labor Committee after the election, has fallen silent. So have Garn and other long-time Davis-Bacon foes, who you might think would be trumpeting their moment of triumph. Republican Capitol Hill staffers say word has been passed to take it easy on Davis-Bacon. "There's no point in going after it," said one knowledgeable staffer. "It would be so much work politically. Besides, if we got it [repeal] out of the Senate, the House would just bottle it up, so why bother?" Meanwhile the "Stockman Manifesto" of new Office of Management and Budget Director David Stockman suggests leaving Davis-Bacon intact so as not to antagonize Big Labor, and thus win its cooperation on progressive social goals like relaxing pollution controls.

It may seem hard to believe that conservative, business-oriented Republicans could learn to love Davis-Bacon. But actually, it fits in smoothly with their philosophy of life. Liberals favor government handouts to the needy; conservatives favor handouts to the well-to-do. Davis-Bacon certainly passes that test. ■

Tidbits & Outrages

APWA Promised an Unbiased, Objective Examination of Those Enemies of Progress

The Public Works Historical Society, a branch of the American Public Works Association, has been awarded a contract from the Army Corps of Engineers to study critics of Corps programs.

The society says it will "investigate the principal persons, organizations, agencies, and interest groups that have found fault with the environmental aspects of the Corps' activities."

There Are No Easy Answers

The College Entrance Examination Board has long been under pressure to release the answers to SATs after they are administered, so students can actually see what they got wrong.

According to *Testing Digest,* an educational newsletter, CEEB has finally agreed to sell (not give) students sheets of answers. But it still refuses to allow a student to take the questions away with him — or release the questions at all. CEEB will provide nothing but a series of columns reading, "1-C, 2-A, 3-E, 4-A . . . ."

Presenting the National Rifle Association's "Man of the Year"

The New York Times files this report:

"Carlos Casanas, 28 years old, of 48 West 82nd Street, brandished a gun in a Radio Shack store at 925 Lexington Avenue near 68th Street, and was arrested two blocks away after a chase. Mr. Casanas was reportedly carrying two loaded guns, a dagger, two canisters of Chemical Mace, three flares with launchers, and a razor. He was wearing a bulletproof vest"

Available in St. Tropez, Swiss and Gouda

Laboratoire Bio-Chimique of Montreal has just released "Orobronze," a tanning capsule that you swallow.

According to *Next* magazine, Orobronze capsules will make the skin appear to be tanned, although they do not provide protection from the sun. The capsules — not yet certified for sale in the U.S. —cost $29 a box, and you take them two to four times per day.

Next reports: "The active ingredient is canthexanthine, a compound used to add color to butter and cheese:"

Gilmore Explained That He Meant To Grab the Nose

Adrienne Washington of *The Washington Star* files this report:

"A Vietnam veteran being held in the D.C. Superior Court basement cellblock was accused yesterday of ripping off his cellmate's ear during a fight.

"The veteran, Loren R. Gilmore, said the ear came off in his hand 'accidentally' during the fight . . . ."

ACTIVATE EMBRACE... ENGAGE KISS FUNCTION... INITIATE BRA-STRAP DISCONNECT SEQUENCE...

Syntonic Software Corp. of Houston has sold more than 10,000 copies of an X-rated program for small home computers.

Called "Interlude," the program asks whatever combination of consenting adults is in the room a series of personal questions. Replies are punched into the machine using a keyboard. Interlude then prints out detailed instructions describing what, based on their preferences, the people present should do to each other. These instructions range "from basic foreplay to light bondage," the company says.

Syntonic President David Brown notes the computer would be beneficial when "The man and woman are already feeling warmly toward each other, but do not have an exact format in mind for the evening."