

## Labor in Focus by Laurence Sherman

### A wedge against Davis-Bacon

*Cap Weinberger is among the strategists undercutting the American system of well-paid, high-skilled construction.*

Sources on Capitol Hill report that for the first time since its passage 50 years ago, the enemies of the Davis-Bacon Act, which guarantees payment of union scale wages on federally funded construction projects, may have enough strength to force the act's repeal.

The first phase of the showdown will come this fall, when networks linked to the Fabian Society's right-wing Trojan Horse, the Heritage Foundation, will try to line up votes for a measure exempting billions of dollars of military construction projects from Davis-Bacon.

"This is our foot in the door," said an aide to Sen. Don Nickles (R-Okla.), a leader of the repeal movement.

The military exemption has the backing of Strom Thurmond (R-S.C.), the powerful chairman of the Senate Judiciary Committee, who latched the measure as a rider onto the military appropriations bill coming up next month.

It also has the backing of Caspar Weinberger's Defense Department.

Deputy Secretary of Defense Frank Carlucci told the Senate Labor Committee July 28 that the Defense Department would welcome passage of the amendment as well as a full repeal of Davis-Bacon. "This is the signal we have been waiting for," said a committee staffer. "It means that the anti-Davis-

Bacon crowd in the administration is gaining the upper hand." He identified that group as the monetarists in the Treasury Department, David Stockman's Office of Management and Budget, and Paul Volcker's Federal Reserve.

If they succeed, either unionists will take an income cut that undermines overall productivity eventually, or nonunion workers, with their record of lower skills and (as on Texas projects) criminal proclivities, will move in.

Labor Secretary Ray Donovan is said to be pressing President Reagan to come out strongly against the repeal, citing a Reagan campaign promise to that effect. But Donovan, relegated to dealing with the baseball strike while the air controllers' strike approached, has been browbeaten by Stockman et al. into crafting new regulations that would have the effect of gutting the key provision of the act, the section which calls for effective interpretation of "prevailing wages" to mean "union scale." While Donovan has issued no public position on the military construction exemption, he will soon release new regulations redefining the "prevailing wages" section later this week. This requires no congressional action to alter.

According to an aide to Senator Nickles, "If we have the votes for the military exemption, we'll take it." The aide said, "If Reagan stays

quiet and says nothing about repeal, then we may try a test of strength on that." They would do this by bringing the Nickles repeal bill, S. 1505, onto the Senate floor for a vote, possibly as a rider to another bill. They doubt that they have the votes for full repeal of Davis-Bacon.

It is the confrontation with organized labor that they desire. "We can show how weak they [labor] are," said an aide on the Senate Labor Committee working on the strategy. "If we do that, we can get everybody to act more boldly."

The repeal advocates are aware that a final break between the Reagan White House and the labor movement, especially the Teamsters and the building trades unions, might occur if the President refuses to support Davis-Bacon. "We want to force his [the President's] hand on this," said the aide. "It is the right time.

"He has just gotten kicked by labor with the controllers' strike and he kicked back. Reagan thinks he can beat the world and maybe he can. They don't need labor. . . . The White House has got to get serious about knocking down wages and here is a good chance to do something about it."

Strategy meetings are scheduled for early September. If Donovan convinces Reagan to make a statement, the aides who are planning the offensive say they will "not buck the President, even if he is wrong. We couldn't beat him." But no one is betting on Reagan to follow Donovan's counsel. They say that Reagan will listen just as much to Defense Secretary Weinberger, who is telling people that cutting out Davis-Bacon will save "billions in the defense budget."