

I want to just go on record before this committee as indicating that California is very much disturbed about this continuing cutback, the release, then the cutbacks.

Further, Mr. Chairman, having been a member of the county government units in California, I want to express my own personal desire that these hearings will bring forth a maximum opportunity for the cities and counties of America to be heard, as we look at the overall ABC program. In my judgment, America desperately needs a balanced highway program, balanced between the Interstate System, primary, and secondary road systems of the country, as well as the city improvements.

And the only way in which this can be accomplished, in my judgment, is to develop the balanced system of finance, so I am hopeful we will take a good look at the existing formula, with a singular emphasis on the improvement of the formula for primary and secondary roads. I think this will do a great deal to provide access into some of these communities, because certainly in this country we need to have economic growth, and unless we have economic growth, unless we have the highway access into every section of the country, we cannot anticipate the maximum in economic growth.

So, with all the problems we have in the cities today, it would seem to me we might be able to provide something in the way of pressure release for the problems of the city by developing the access roads out into rural America.

Having returned from the National Road Federation meeting in Australia, I am convinced again that we here in America must provide the leadership with a proper type of formula for the balancing of our highway system; and in the interest of time, Mr. Chairman, I would like to ask permission of the Chair to revise and extend my remarks in depth, so that it will be recorded at this point in the record, for the purpose of including the statement of Governor Reagan to the recent National Governors' Conference.

Mr. KLUCZYNSKI. Without objection; so ordered.
(Statement follows:)

STATE OF CALIFORNIA TRANSPORTATION AGENCY, SACRAMENTO, CALIF.

WASHINGTON, D.C., February 29, 1968.—Eight major transportation problems and California Governor Ronald Reagan's potential solutions were submitted today to the National Committee on Transportation at the National Governors' Conference meeting here.

Governor Reagan, who serves as committee chairman, was unable to attend the Washington, D.C. meeting and was represented by Gordon C. Luce, Secretary of Business and Transportation in Reagan's cabinet.

Congressional investigation was cited as the answer to problems created by current delays in interstate highway funding and any similar future tampering with the flow of funds.

Reagan refused to accept as valid statements by federal officials that the delay is aimed at combating inflation but instead pointed out that the resulting slowdown in planning and construction has cost the states inestimable millions of dollars.

"In California," he said, "the construction cost index decreased 6.5 percent in 1967 over 1966. Prices now are going up, however, and we recommended an accelerated program to beat inflation rather than allow a disruption and slowdown, as these cutbacks are forcing the states to do.

"Cutbacks in the release of federal funds have damaged orderly planning, scheduling and programming of highway construction, are inconsistent with the