

**STATEMENT OF B. B. ARMSTRONG, PRESIDENT, THE ASSOCIATED
GENERAL CONTRACTORS OF AMERICA, ROSWELL, N. MEX.; AC-
COMPANIED BY JAMES M. SPROUSE, ASSISTANT EXECUTIVE
DIRECTOR, CONTRACTOR SERVICES**

Mr. ARMSTRONG. Mr. Chairman and members of the committee, my name is B. B. Armstrong. I am the managing partner of Armstrong & Armstrong, a highway construction firm in Roswell, N. Mex.

Currently, I serve as president of the Associated General Contractors of America, a trade association of over 8,500 of the Nation's leading general construction contractors. Nearly 4,000 of these are highway contractors, and are the men who are building the road network this committee is considering.

I am accompanied by James M. Sprouse, assistant executive director of the AGC, who has appeared before this committee many times.

My firm, Armstrong & Armstrong, performs about \$3 million worth of highway construction a year. We work only in New Mexico, and the New Mexico Highway Department is our only source of work.

My qualifications for speaking to you on highway construction also include three terms as president of the Associated Contractors of New Mexico, 10 years' membership on our joint committee with the American Association of State Highway Officials, chairman of the AGC Highway Division and 3 years as a member of the AGC executive committee.

The AGC strongly supports the continuation of the ABC program at its current level. This carries out the intent of this committee, and of the Congress, as set forth in the Federal-Aid Highway Act of 1956. The continued improvement of this network of arterial roads is vital to our Nation's security, and is urgently needed for the development of cities, for the full utilization of our natural resources, and for the promotion of our industrial and agricultural growth.

Surveys show that the chief factors involved in business decisions concerning plant location are based primarily on the availability of markets, raw materials, and labor supply. The No. 1 factor is always good transportation, for without good transportation no industry can operate successfully.

We hope, therefore, that this committee and the Congress will authorize the construction of this program on its present basis.

We think, however, that we should point out to this committee that even as we are advocating the continuation of the highway program on an orderly basis, we are suffering from the effects of cutbacks, past and present, in that same program, and we certainly would be remiss if we did not bring to your attention the serious consequences of those cutbacks and their effect on those who depend on highway construction for their livelihood.

The great majority of firms participating in the construction of Federal-aid highways are small organizations. They are not diversified, and highway construction provides their only income. Many must obtain contracts to enable them to meet payments on their plant and equipment. These firms are always the first casualties of a cutback in the Federal-aid highway program, since most lack the resources to carry them over long periods of idleness. Even if they do survive, they