

can hardly be expected to reinvest in a future program, with no assurance of its continuity.

For all highway contractors, small or large, cutbacks create difficulty in intelligently planning work, in bidding on contracts, in mobilizing equipment, personnel, and sources of supply. Contractors have made long-term commitments for plant and equipment, relying on the stated intent of Congress to maintain a balanced, orderly, properly financed highway program.

The design and construction of highways is a continuing, and long-reaching process. Projects must be scheduled far in advance of actual construction, and that schedule is of necessity based on the predictable availability of Federal funds.

Short, intermittent, delayed, and unscheduled releases of these funds undermine the entire planning process, and serve only to prevent orderly completion of highways and to substantially increase their overall cost. Unless a basically stable letting schedule can be carried on by the State highway departments, contractors cannot maintain efficient operational organizations: they lose the construction momentum necessary for economical operations. All too frequently they are forced out of business.

At this point we request permission to have inserted in the record of these hearings, as a supplement to my testimony, the replies received to a survey conducted by the AGC, asking its State organizations how many highway contractors in their areas have gone out of business, voluntarily or involuntarily in the past 2 years.

Mr. KLUCZYNSKI. Without objection; so ordered.

(Documents referred to follow:)

[Telegrams]

ASSOCIATED GENERAL CONTRACTORS OF ILLINOIS,
Springfield, Ill., February 15, 1968.

Mr. J. M. SPROUSE,
Associated General Contractors,
Washington, D.C.:

Our directors estimate 35 Illinois highway contractors have gone out of business during past 2 years.

CHARLES MILLER.

ASSOCIATED GENERAL CONTRACTORS,
Boise, Idaho, February 14, 1968.

J. M. SPROUSE,
Associated General Contractors of America,
Washington, D.C.:

Re your telegram of February 14, 1968, concerning contractors went out of business past 2 years. Idaho branch inclusive area had eight. Seven voluntary and one involuntary.

J. P. MOLITOR.

ASSOCIATED GENERAL CONTRACTORS,
Miami, Fla., February 15, 1968.

J. M. SPROUSE,
Manager, Highway Heavy Division,
Associated General Contractors of America, Inc.,
Washington, D.C.:

Re telegram contractor failures approximately 20 annually according to survey.

PAUL H. HINDS,
Executive Manager, South Florida Chapter.