keep it healthy. It cannot remain healthy if its work is to be turned off and on at irregular intervals.

In announcing the cutback, the Secretary of Transportation cited figures to show that highway construction costs went up 4 percent in 1967. He called this an "undue increase." We respectfully call the Secretary's attention to the fact that wage increases in 1966 ranged as high as 24 percent. The average was 9 percent. We consider this an "undue increase," but to date the administration has not seen fit to take direct action to curb the outrageous demands of organized labor and the exorbitant inflationary settlements forced on our industry by paralyzing strikes.

In 1966 there were 977 construction strikes, involving 455,000 workmen, causing 6,140,000 man-days of idleness. The average strike lasted 29 days; some lasted as long as 100 days.

As we said earlier, some of the eventual settlements cost as much as 24 percent more in wages. And while this irresponsible assault on the Nation's economy was taking place, the Government took no effective action against it.

It is to be regretted that the administration, rather than getting at this root cause of the problem, instead, is destroying the stability of the highway program.

We sincerely believe, however, that the principal cause of recent cost increases in the highway construction industry is the very action which the administration says will curb inflation: the cutbacks themselves. Construction simply cannot be done economically on a stop-and-go basis; it always costs more this way in the long run.

The contractor must be able to plan ahead in order to carry on his work efficiently and economically. He must be able to plan and project his work program on more than a season-to-season basis. It stands to reason that the contractor can, while he still has his equipment, personnel, and sources of supply mobilized, submit a bid lower than he can if he has lost the advantage of a mobilized, well-functioning organization.

History has proved that "stop and go" or "peak and valley" construction always costs the owner—in this case the public—substantially more than a continuing, orderly program such as the Congress authorized in 1956. Today the program of the Congress is seriously jeopardized by withholding and restoring funds at irregular and unpredictable intervals.

A construction job requires a vast amount of advance planning and development on the part of the general contractor. When the day arrives to start a job, he must already have assembled men, equipment, and material. A great deal of effort and money go into the pipeline before a hand is lifted on the jobsite. This flow into the pipeline cannot be cut off at a moment's notice—and, even more important, cannot be resumed at a moment's notice. The result of sudden deferral of construction is waste on a gigantic scale.

The curtailment of highway funds without full congressional review and approval constitutes a breach of faith, a diversion of taxes collected under the pledge that the funds so raised would be used for construction of the national highway system. Short of such congressional action, our industry cannot concede the justification for a cut-