

Mr. DENNEY. I wanted to commend Mr. Armstrong for the statement.

On page 4 he makes the statements, "The curtailment of highway funds without full congressional review and approval constitutes a breach of faith."

It is a breach of faith not only with the contractors, but it is a breach of faith with every citizen that drives an automobile and pays this tax into the purchase of gasoline; is that not correct?

Mr. ARMSTRONG. That is correct, sir.

Mr. DENNEY. That is all I have, Mr. Chairman.

Mr. KLUCZYNSKI. Thank you.

The gentleman from California, Mr. Clausen.

Mr. CLAUSEN. I want to join my colleagues in paying my compliments to you, sir.

I think that your statement certainly is an excellent one and gives us documentary evidence of some of the problems that they face with this cutback, this stop-and-go type of action, as a result of the administration's decision.

But I am particularly pleased to have you place the emphasis on what occurs to the small businessman in this country. The greatest problem we have is for these people in undertaking the hiring of personnel and trying to develop organizations to handle the job, they can never go forward constructively and do the job and build the kind of responsible organizations that will keep our construction costs in line, unless they can have what was originally intended, as far as the act was concerned, to depend upon it.

I think you enunciated this very well, and I think the committee is very indebted to you for giving us this kind of example.

Thank you.

Mr. KLUCZYNSKI. Thank you.

The gentleman from Indiana.

Mr. ZION. Mr. Armstrong, I believe you testified that approximately 241 highway contractors have gone out of business in the last 2 years, was that correct?

Mr. ARMSTRONG. I believe that is the figure; yes, sir.

Mr. ZION. Were most of the States heard from here?

Mr. ARMSTRONG. No, we did not hear from all of the States.

Mr. ZION. About how many States did you hear from?

Mr. SPROUSE. I believe it is in the tabulation.

Mr. ZION. How many States?

Mr. CRAMER. 19 States.

Mr. ZION. 19 States out of 50. We can presume, then, that there will be considerably more than 241 in the United States that went out of business.

Mr. CLAUSEN. Did that include California?

Mr. CRAMER. California had 20 contractors going out of business; and the State of Florida had 20; and the State of Louisiana had 53; Illinois, 35; in the last 2 years.

Mr. ZION. My point is that this 241 highway contractors is a minimum figure. Probably, if we took the United States as a whole, this might represent less than 50 percent of the contractors who went out of business in the last 2 years. Would that be a fair statement?

Mr. ARMSTRONG. I would believe it to be a fair statement.

Mr. ZION. Thank you.