

road system. For the years 1966 to 1969, \$1 billion annually will be available to the ABC Program.

We are pleased with the concern of Congress for the ABC System and especially for the most recent attention paid to the urban roads. These roads are necessary to any integrated system of inter and intrastate highways. We also concur with the recommendations of Secretary of Transportation, Alan S. Boyd, that more attention should be paid by all interested parties in developing an urban road system that is compatible with the social and economic needs of our urban areas. By 1990, more than 200 million people will be living in this country's urban areas; this is more than the total population of these fifty states.

THE ABC SYSTEM'S IMPACT ON EMPLOYMENT

Recognizing our responsibilities as representatives of organized labor, we would like to emphasize the importance of the ABC System as it is related to employment.

There will be, through the partnership of the Federal and 50 States' Governments, in funding for the years 1966 through 1969, a total of \$2 billion annually for the ABC System. Using the 1966 report of the Department of Labor's Bureau of Labor Statistics on labor requirements for construction of Federal Aid Highways, this \$2 billion will generate, annually, employment for 230 thousand people in manufacturing, transportation, trade, mining and other related industries. Of these 230 thousand potential jobs, over 40% will be available to construction workers.

Considering the recommendations of Secretary Boyd, of the nation's needs for greater attention towards the citizens of our urban areas, let us consider the needs for greater employment opportunities in the urban areas.

In 1967, one-third of all unemployed workers lived in this nation's fifteen larger cities. The unemployment rate in our cities is generally greater than the national average especially among minority groups in unskilled workers. Increased highway construction in the metropolitan areas in this country will provide employment opportunities for this segment of our population, now one of the main concerns of this country's "War on Poverty." The highway construction industry can train these people and upgrade them in the mainstream of this country's economy.

DAVIS-BACON COVERAGE FOR THE ABC SYSTEM

During the Eisenhower Administration, Congress wisely included a provision in Section 115, Title 1 of the 1956 Highway Act requiring the Secretary of Labor to determine the prevailing wage rates on similar construction in the locality of proposed interstate projects. This provided highway construction workers with the protection of the Davis-Bacon Act and lent to the industries in general, the stability afforded by predetermined prevailing wages.

Prior to the late 1940's, only construction contracts that were let by the so-called "procurement agencies" (Corps of Engineers, G.S.A., Bureau of Reclamation and the U.S. Air Force) came under the purview of the Davis-Bacon Act. This afforded workers with the necessary protection that large expenditures of their taxes, on federal construction projects, would not serve to destroy wage rates which were established and prevailing in their areas.

The Administrations of Presidents Truman, Eisenhower, Kennedy and Johnson have all endorsed the principle of federal and local participation in the financing of construction projects that are held to be necessary to the needs of this country. With the innovation of Federal assistance programs whereby the Federal Government, through its various agencies, together with state municipalities or other local governmental authorities, share the cost of construction projects under the "National Housing Act of 1949," the "Federal Airport Act," the "College Housing Act of 1950," the "Area Redevelopment Act," and the "Education Assistance Act of 1963."

If there is any single, common denominator among these programs, it is that the Secretary of Labor sets forth the prevailing wage rates for all construction workers employed on these projects. This is true whether the Federal Government is paying 90% of the project, as in the Interstate Highway Program, or in the cases of some projects of the Federal Housing Administration, where no federal funds are expended but the Federal Government acts as the guarantor of the loan.