

the needs of the particular locality involved. These so-called federal assistance programs such as 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," all contain provisions directing the Secretary of Labor to predetermine prevailing wage rates for construction workers employed on these projects.

The 1956 Highway Act required the Secretary of Labor on Interstate highway projects to predetermine prevailing wage rates based on similar construction in the immediate locality of the proposed Inter-state project. This provided highway construction workers on these Inter-state projects with the protection of the Davis-Bacon Act and lent to the industry in general, the stability afforded by predetermined prevailing wages. With the passage of the Appalachian Act, Congress provided Davis-Bacon coverage for all highway construction, under this program, in those counties in the 13 Appalachian states.

Therefore, the great majority of the federal construction programs and especially those which pertain to heavy and highway type construction, with one major exception, require contractors to pay the predetermined prevailing wage rate. This is true whether the Federal government is paying the total cost or participating in varying degrees from 90%, as in the case of the Inter-state program, 30% under the Federal Airport Act, or in some projects of the Federal Housing Administration where no actual Federal funds are expended but the Federal government merely acts as the guarantor of the loan. Thus construction workers are afforded the necessary protection so that the expenditures of their taxes on federal construction projects do not serve to disrupt locally established wage rates.

Of course, the major exception is the ABC Highway Program. For fiscal years 1966 through 1969, Congress authorized \$1 billion annually, to be available for the ABC Highway Construction Program. Presently, this program, as you know, is financed on a 50-50 basis. We submit that an annual expenditure of \$2 billion has such an impact on the highway construction industry, and in fact close to 100,000 workers are involved, that the workers on these projects are entitled to the protection of the Davis-Bacon Act. We feel that Congress, in passing the Davis-Bacon Act and subsequent related statutes, intended to protect all construction workers with a predetermined wage rate on all construction projects in which the Federal Government is involved whether it be by direct contract or those federal assistance programs. Therefore, we urge this Committee to approve a bill that would place the workers employed on these ABC Highway projects under the protection of the Davis-Bacon Act.

CONCLUSION

Summarizing our remarks, we heartily support the authorizations contained in the bills you are considering. We urge your approval of the 1968 cost estimates for making those authorizations. We hope you will consider some type of legislation to insure the continued integrity of the Highway Trust Fund and sincerely hope that you will act, at this time, to provide Davis-Bacon protection for highway construction workers employed on the so-called ABC Highway Program.

Again, we appreciate the opportunity to make our views known to this Committee.

Mr. BORGES. We would like to make one point. Our major concern with this highway program this year is to obtain coverage for the ABC road system.

We feel it is certainly the intent of Congress that no major construction program should go without this protection for our workers.

I say "workers," not only our members but the great majority of highway workers.

Also we would like the permission of the committee to be allowed to submit a supplemental statement. We have just received a copy of the brief submitted by the Associated General Contractors in opposition to our position.

We do not address ourselves to the many points that Mr. Teer brought to the committee's attention. We feel there are some miscon-