

When the direct costs of halting operations in winter are weighed against the difficulties and costs of operation, the balance is often in favor of operation. The cost-savings to the economy becomes particularly notable when the direct and indirect savings in reduced unemployment are added to the scales.

The current employment fluctuations result in a steady drain on unemployment insurance trust funds, far in excess of contributions by the construction industry. These costs, and other costs of lost production due to seasonality have been estimated at \$3 to \$4 billion a year. That means that the rest of the industry is carrying the UI burden to provide the protection for construction workers during the period when they are laid off.

The reduction of seasonality could yield significant savings for the unemployment trust fund—now included in the Federal budget. Not only can we better use the capacity of this industry, but we can anticipate some clear deficit-reducing possibilities. In a social accounting sense, even if winter work did cost more, we estimate that up to a 7-percent increase in costs will be offset by a decrease in unemployment insurance outlays.

This 7 percent compares with additional costs of winter work found in the most specific U.S. surveys and confirmed by Canadian experience of about 1 percent, and there, of course, many cases where that will rise to 4 or 5 percent but, compared to the 7-percent savings, it is still an attractive saving. Thus the expected savings from UI alone would substantially exceed additional cost of heat and winter protection.

#### EXPERIENCE IN OTHER COUNTRIES

Seasonality is expensive, and it is inconceivable that we will continue to do so little to improve conditions. Many ideas have been tried abroad and foreign nations have already accumulated considerable operating experience.

The Organization for Economic Cooperation and Development has published an analysis of these methods and results which can benefit the United States.

Various governments have mounted substantial attacks on seasonality in diverse ways: Canada, Austria, Belgium, Denmark, Finland, West Germany, the Netherlands, Norway, Sweden, and the United Kingdom. Administrative action has been taken to plan Government construction to yield year-round employment, to require that maximum possible winter work be done by all departments, and to influence private projects by withholding permits.

Subsidies have also been paid either to municipalities, or contractors, or private owners. In some cases these subsidies are paid out of unemployment insurance savings.

Canada has been especially active in public education programs, designed to create a demand for winter construction through radio and television announcements, pamphlets, stickers, and letter inserts.

A sample of additional methods which have been attempted abroad includes—

- Grants or loans to contractors, sometimes conditioned on measures to winterize the project; loans to purchase winter equipment; and grants to workers for winter clothing and to owners who build in winter;