

a comprehensive and active manpower policy and I think that we are moving toward that goal.

But one of the things that they do in Sweden, for instance, and we could not do it in quite the same way certainly or to the same extent they do there, is that, through their influence over the issuance of building permits and construction funds, they are able to use construction by reducing it in times of excess demand for labor and by pushing it when demands slack off and when unemployment rises. They are able to make a very significant impact upon the unemployment rates and the little recessionary lags that an economy gets into. Maybe someday we can do that. I don't know.

Mr. REYNOLDS. I would hope we could someday. That whole imaginative approach of theirs, using capital tax and deferred credit so that there is a fund available to trip off when they are permitted to do it to indulge in capital improvements many of which take the form of construction of new facilities, is a very sensible thing to do it seems to me.

Mr. O'HARA. And they have gone a good deal further on the seasonality program in spite of the severe winters they have as compared to ours. It was in the months of January when I was there, as I recall, and it was about 10 degrees or 15 degrees below in Stockholm and there they were working away on their construction projects.

Mr. REYNOLDS. I think when one considers the drain on the unemployment funds that is occasioned by seasonality of this industry one recognizes that it is the rest of the American industry which is making up the difference between what the construction industry pays in and what is paid in benefits to construction workers and then one realizes the overall social gains to be accomplished, even forgetting the more important human terms of keeping the people gainfully employed.

Mr. O'HARA. One of the obvious possibilities, it seems to me, is that if your figures are correct, and I certainly have confidence in the information you have provided this committee, it would be a good deal cheaper to subsidize year-round construction out of the unemployment insurance funds to a certain extent than it would be to pay the benefits that are paid because of the seasonal nature of the industry, and that you would probably end up with a net financial advantage that way simply to the UI fund alone; in other words, that it would be cheaper for the UI fund let alone the problems of the individuals who are unemployed for parts of the year and the social costs of different kinds. It would just be cheaper to the UI funds to pay a small subsidy for construction in the wintertime rather than pay out the benefits that must be paid because there isn't more.

Mr. REYNOLDS. It might very well be. I suppose that leads one to imaginative thoughts about other efforts against seasonality, consider the recreational season in the New England States, or in your own State of Michigan where there is a brisk summer season and then a complete winter close-down coinciding with the opening of the season in Florida. Mobility of these workers would help a lot too.

Mr. O'HARA. That is right.

Mr. REYNOLDS. It takes imagination to do this and with the problems of the hard core ghetto I suppose there are not sufficient hands and brains to go around at the moment.