

ing programs. We feel that the greatest effects of such programs will be in the industrial and commercial construction segments of our industry. Road and highway work and giant, heavy construction projects are, at this point, beyond the reach of any reasonable efforts.

Thus, we do not expect that high seasonal demands for construction workers can be eliminated, entirely, but we do feel that great progress could be made.

On the Government side, there are both added costs to certain Government operations arising from construction seasonality and losses of potential income which amount to hidden costs levied on the general taxpayer by seasonality.

The major portion of additional costs to Government operations arises, of course, in the unemployment compensation system. I think President Murphy and the chairman touched on the subject and it does have great possibilities.

The construction worker, with his short working period each year, cannot possibly contribute to unemployment compensation funds an amount equal to what he draws. This, of course, is true not only for the construction laborer, but for all crafts in the construction industry.

It could be said, of course, that it is the purpose of the unemployment compensation system to provide support for workmen in this position. We do not believe, however, that in an era when the technology exists to eliminate this drain on the unemployment compensation system, that it should be allowed to continue merely because we are accustomed to it. Of course, savings to this system would be an important return on the investments made by government to deseasonalize construction work.

Construction workers do not generally find themselves able to find alternative employment which would keep them off of the unemployment rolls.

First, the pattern of demand for labor in the construction industry, while it fluctuates seasonally to a much higher degree than in other industries, moves in the same directions as the other industries.

Therefore, there is little opportunity for a construction worker to transfer to other industries during the slack season. This contention is also borne out by an examination of social security data which clearly shows that the permanent workforce in the construction industry—that is, those who draw 50 percent or more of their earnings from that industry—average 90 percent of their gross annual earnings from construction employment.

Neither our experience, nor the evidence that we can obtain, indicates that any significant contribution to cover the costs of unemployment for construction workers is borne outside of the unemployment compensation system.

The most important hidden costs which seasonality levies on government, and through them on the general taxpayers, lies in the area of lost tax income. Deseasonalizing the construction workforce would, at the same time that it increases the income of our members, increase the tax revenue of the Federal and State governments through the personal income tax system.

It is our estimate that the Federal Government loses at least \$25 million a year that it could receive from construction laborers, if an effective construction seasonality program were instituted in the