

the building is done, vary, the information mentioned above would be most helpful if it could be related more precisely to geographic areas smaller than an entire metropolitan community.

What happens in Rockville is certainly different weatherwise than what happens in Alexandria sometimes, to use an example here.

In summary, weather and seasonality in construction contribute to increases in costs for both direct and indirect construction items and probably increases the hourly price of wages and the unit price of materials. During inclement winter weather, this can add as much as or more than \$1,000 to the cost of construction of a typical dwelling according to our information.

A great deal of research has been accomplished to minimize the effect of weather, and improved materials, methods, and equipment have been devised by the industry. More research will be necessary if the added cost of inclement weather is to be further reduced. Better weather forecasting and information systems would be helpful in minimizing the effect of whatever weather is going to occur.

Mr. GIBBONS. Thank you, Mr. Johnson. I followed all your statement, and I think it makes a lot of sense to me.

I would ask a question, though, about the use of equipment. It would seem to me that the use of equipment in wintertime if it were owned by the contractor would allow him to charge the use off at a lower rate and would therefore actually save him money and if he had to rent it, perhaps the renter would be willing to make some concession because of the fact that traditionally that equipment sits idle in the winter. Is my thinking faulty there?

Mr. JOHNSON. Perhaps I didn't state what I had in mind clearly, Mr. Chairman.

What I meant was that the fact that you have to use the equipment extra hours increases the equipment time charges. If you have to use a front-end loader to remove snow, if you have it yourself, it is an operating cost and if you have to lease it, you have to pay extra for it. On the other side, you are quite right. If you do own equipment and can increase the number of hours that it is used, it tends to reduce the depreciation, it does reduce the depreciation charge hourly, but it still costs to operate it.

Mr. GIBBONS. Mr. Steiger.

Mr. STEIGER. I have no questions, Mr. Chairman.

I appreciate Mr. Johnson's coming to the committee. The statement has been very interesting.

Mr. GIBBONS. Mr. Hathaway.

Mr. HATHAWAY. Thank you very much.

I wonder in your example whether or not in the case of the Indiana builder proper planning might have avoided some of the extra cost he got into in light of the previous witness's testimony stating that the cost differential is only 1 percent in Canada.

Mr. JOHNSON. Yes. That is why I wanted to make the point that residential construction is different than building construction which I think Mr. Bone was talking about.

First off, an ordinary schedule time for a dwelling such as this is about 2 months as opposed to a building which might be a year or two. It is a quite different situation. The reason that I selected this particular builder out of thousands as an example is that he is so well