

Unemployment is usually at a minimum in September - rises to a peak in the late winter.

No. 55/10 EMPLOYMENT AND UNEMPLOYMENT IN CANADA

An address by the Minister of Public Works, Mr. Robert Winters, delivered at the Golden Anniversary Convention meeting of the Union of Nova Scotia Municipalities, Halifax, N.S., September 1, 1955.

I think it is true to say that ever since the last Great Depression we Canadians, in private life and in government, have been determined to do everything practical to prevent another. In government, at the national level, we have developed improved economic weapons, and we have not hesitated to use them. For example, we have strengthened the economy with such basic supports as Unemployment Insurance, Family Allowance and pensions for the aged. We have learned to make more effective use of fiscal, monetary and credit policy to reduce the inevitable ups and downs of a free economy. We have used the means available to modern government to create the sort of climate in which this free economy can prosper.

Furthermore, the Federal Government has made important contributions to national development at times and in places which would most effectively stimulate the economy. These contributions have included a stronger housing policy than ever before; and an extensive Trans-Canada Highway programme, not to mention other government capital outlays on various types of public works.

All this is, in a way, part of the endless story of man's conquest of this northern land, part of man's endless experiment in learning to live in a country that has perhaps more than its share of difficulties for living. We have laid siege to our objective on a broad front and we have encountered individual pockets of resistance and salients that yield harder than other parts of the front. I should like today to talk about one of the most stubborn of these salients - about winter unemployment.

This year has brought us a graphic illustration of this problem. On March 19th, there were 401,000 Canadians without jobs and looking for work - nearly 7½ per cent of the labour force. On May 21, this figure had dropped to 213,000 or slightly less than four per cent of the labour force. On June 18, the figure was down to 157,000, slightly less than three per cent.

It is expected that by mid-September the number of persons without jobs seeking work will have dropped to a little more than 2 per cent of the labour force.

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Thus 1955 is repeating a pattern that is all too familiar to the Canadian people, for seasonal unemployment is a perennial problem here, present in good times or bad. It affects all of us, because of the reduced purchasing power of those who are out of work. It is estimated that 250,000 persons are seasonally unemployed each winter, even in years of generally high employment. The annual loss in wages is probably about 150 million dollars, with its inevitable impact on the demand for services and goods produced by other people. Even more important is the damage it causes in the places that really count - in the hearts and minds of the human beings who are out of work.

This problem is, in a way, one of the penalties for living in a country such as Canada with its sharp variations in climate. It has various facets. Obviously one type of seasonal unemployment is caused by the direct effects of climate on the production process in many of our primary industries. Canadian farmers cannot plant wheat in February. Ice makes inland navigation impracticable in winter and fishermen face great difficulties. The canning industry must obviously curtail its operations during the winter months when fresh fruit and vegetables are not available. The construction industry cannot generally be expected to hold the same pace during the rigorous winter that it does during spring, summer and fall, unless special advance plans are made. About this point I shall have something more to say a little later.

But in other industries seasonal unemployment is caused not so much by climate as by employers' and consumers' habits - it is the market rather than the production process that is affected by the time of year. An example is the retail trade, which is at a peak from October to December - the Christmas shopping season. The clothing industry has peaks in the spring and fall when the weather and the fashions change. Demand for agricultural implements is naturally highest in spring and summer. Various service industries - hotels, restaurants, laundries and dry cleaning establishments - reach peak activity in July, August and September.

Now the Federal Government has been deeply concerned with the problem of winter unemployment. I would hardly be raising such a thorny subject today if we weren't. Our unemployment insurance program, while it does not of course solve the problem, does help the plight of the individual worker who is forced to be idle through no fault of his own. A large part of the unemployment insurance benefits paid out in a year are paid during the winter months - in some years, for example, 65 per cent of the total amount paid was given out in the five months from December to April. The government has specifically recognized the problem of seasonal unemployment by providing supplementary unemployment insurance benefits from January 1 to April 15 every year. But you might well ask what is being done to get at the roots, to reduce winter unemployment itself, and more particularly, what is being done by the Federal Government? The government is doing things but I must say at once that the solution depends on all groups in the community - on the willingness of industry to change established employment patterns and on the willingness of the general public to change its habits in buying and in demanding services.

What the government can do directly is limited; to a great extent its role is educational.

During the past few years we have been studying the nature of the problem in co-operation with employer and labour groups and with provincial governments. We have been trying to promote positive action.

In February 1952, the National Advisory Council on Manpower referred this problem to a committee of the Unemployment Insurance Commission called the National Employment Committee. During the summer of 1953 this Committee conducted a survey of 18 seasonal industries, questioning more than 600 employers on the causes of seasonal variations in their employment and on the methods they had already developed or could suggest for reducing these employment ups and downs. The survey showed that a great many employers were alive to the problem and were developing techniques for stabilizing employment. The Federal Minister of Labour distributed 20,000 copies of a booklet "Seasonal Unemployment in Canada", containing a summary of the results of the survey and the Committee's recommendations for reducing unemployment. It was sent to all employers with more than 50 employees, all trade union secretaries, all local offices of the Unemployment Insurance Commission and many other national and local groups.

Last winter the Federal Department of Labour sponsored a series of radio broadcasts designed to encourage the public, industry and business to co-operate in efforts to increase winter employment by doing as much as possible in the way of maintenance, redecorating, renovating and purchasing of supplies during the winter. The speakers included employers, union leaders and a woman commentator representing the average householder. As Minister of Public Works I was particularly interested in the three broadcasts dealing with the construction industry. The report of the National Employment Committee laid great emphasis on both the need for and the possibility of increasing winter employment in this industry, which employs so many workers all across Canada and which has always had a serious seasonal unemployment problem.

In March of this year, for instance, more than one-third of all male applications for employment on hand at National Employment Service offices were made by skilled and unskilled construction workers. In August of 1954 only about one-sixth of the total number of applications were made by construction workers.

In the past this industry used to close down altogether for three or four months each year and even now there are more than 25 percent fewer men employed in winter than in summer.

In his radio broadcast Mr. Raymond Brunet, a past president of the Canadian Construction Association, emphasized that construction work can be carried on during the winter, and that the preference for carrying it on during the summer is largely a matter of habit and custom. What is needed is close co-operation between owners, architects and the contractor so that outside work can be completed and buildings closed in before cold weather sets in. If this is done, construction costs will be no greater than in summer. This was proved in an interesting experiment carried

on in Ottawa last winter - the Mooretown housing development. The Ottawa and Hull Trades and Labour Councils conceived the plan of constructing a low rental housing project to provide winter employment and to show that winter construction of homes is feasible. The city of Ottawa co-operated by purchasing \$44,000 worth of shares in the company, representing the 10 per cent necessary for the builders to get a federal loan for \$44,000. The project, consisting of 13 buildings containing 44 family dwelling units, kept 40 men employed throughout the winter, and the builders found that costs were even lower than normal because supplies were delivered more promptly during the slack season.

Yet another example of winter construction in Ottawa was a commercial office building which rose to its full height of 10 storeys in spite of last winter's severe weather. The survey showed that a great many employers have to the problem and were developing techniques for stabilizing the problem and were developing techniques for stabilizing that by the adoption of new techniques, the use of new materials and equipment, and above all with careful advance planning, there is no real barrier to carrying out construction activities during winter months. I might point out here that the Building Research Division of the National Research Council is at present preparing a technical bulletin on winter construction which will be available shortly.

Through the Department of Public Works, the Department of National Defence and other agencies, the Government of Canada is itself an employer in the construction industry, and I can assure you that we are trying to plan our construction work to provide more winter jobs. The National Employment Committee recommended to the Government that it should undertake a study of ways and means whereby the letting of government contracts might be better timed so as to offset as much as possible the seasonal variations in construction activities.

This has been done by a working committee established by the Minister of Labour. This Committee has worked closely with officials of federal departments and agencies in a position to contribute to winter employment. As a result of their discussions a number of contracts for new construction and for maintenance and repairs were carried out last winter. My own Department, for example, made special arrangements to undertake clearing operations in Banff National Park during the winter in anticipation of highway construction this spring and summer.

I think I have made it clear, then that the federal cabinet is not only well aware of this problem but that it has been attacking it over a period of years. At the same time I can disclose here today that our thinking has recently been crystallized in a cabinet directive laying down the lines of our policy.

This document has gone out to all departments and agencies of the federal government which would be concerned with it. Its objective is to do everything possible to use government spending programs to create the maximum amount of employment in the winter months. It states frankly that while progress has been made in this direction it is not enough.

Without going into detail, I can inform you that our directive orders that four specific steps be taken, in so far as they are practicable. They are:

1. Government departments and agencies are to arrange their construction programmes so that plans and specifications, tender calls, contract awards and the various stages of actual construction will be timed to provide the maximum amount of winter work for the construction trades.
2. Alterations and repairs on buildings, houses and equipment owned by government agencies will be planned so as to be carried out as far as practicable during the winter months.
3. Procurement programmes shall be arranged, where practicable, to create the maximum amount of winter employment.
4. With the objective of keeping increased winter employment in mind each department and agency concerned should, if necessary, adapt its financial arrangements staffs and other related matters in such a manner as to give effect to this directive.

We hope this policy will help ease this problem. We feel that enough has already been done to show that we Canadians need not be economic prisoners of our northern climate. Enough has been done to show that we are as much the victims of ourselves - of our habits and customs, - as of the weather. Enough has been done, I think, to indicate that we Canadians can tame our winter unemployment as we have tamed our rivers, our mountains and the goliath of our space.

This problem is part of the endless challenge of life itself in Canada. It isn't going to be licked by assault from any one front. Federal departments and agencies do spend sums running into the hundreds of millions of dollars annually in the fields involved here, but their spending is only a relatively small part of the national total. What we aim to do should be the aim of governments at all levels and of private enterprise. I am happy to be able to say today that they have made a start, just as we have. But I think I can say of them what I have already said of our federal effort - we have made some progress but it is not enough.



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