

(13) The purpose of society is to live well.

(14) The current level of social services is not intolerable, in fact, social service costs peaked in 1970 and have been decreasing since.

(15) Our medical services and security net make cities livable — we need to improve these services.

(16) Unemployment causes “real” problems: we are in danger of producing a generation of disaffected and alienated youth.

(17) The distributive consequences of the deficit are nil: the burden of the deficit is not placed on the rich.

(18) Our unemployed resources create a socially rigid society that is afraid of change.

(19) Once the decision is made to pursue full employment, systematic treatment of industries and services must be undertaken in the form of 50 to 60 simultaneous investigations: (the patterns of work and production in textiles, urban transportation, municipal agencies etc. and their capacity to expand.)

(20) Just as the country mobilized in the urgency of World War II, full employment must be an urgent priority.

(21) While interventionist approaches to government failed in France under Mitterand, Sweden, Norway and Denmark have been successful.

(22) For investment to occur and grow, demand must be created.

(23) The business sector will respond to this demand by investing.

(24) Until there are available jobs, one cannot talk about training ... training for what jobs?

(25) The potential of the job creates the need for training or re-training.

(26) A more cynical approach is to train/re-train for specific jobs which may or may not exist.

(27) We cannot invest in human capital without being sure of market needs and characteristics.

(28) Re-training becomes a new form of welfare — if one is lucky, there might be a job at the end of it.

Interview with Bruce Wilkinson
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(1) One of the ways to reduce the deficit and unemployment would be to reduce government wages, increase job security and thus allow people to work rather than face layoffs and unemployment.

(2) One could also consider the printing of more money to increase our reserve ratio from 4% so that the government would not always have to resort to more borrowing in order to finance additional expenditures. This is an unpopular solution as it would force banks to raise interest rates on loans, to lay off workers and so on. The same amount of money would still circulate in the system.

(3) This approach is no more inflationary than if the government, rather than the bank, prints more money. Inflation occurs when governments spend the additional money without legislative restraints.

(4) The monetary base is traditionally expanded through open market purchases of bonds. When the Bank of Canada purchases bonds from commercial banks or from the non-bank public, it creates reserves in the banking system. The banks keep dollars they receive through the sale of bonds at a 4% or 5% reserve ratio. For the system as a whole, for every dollar of increased reserves through open market operations, the money supply can be expanded 20 times. The reserve ratio could be raised to 10% so that for every dollar received in reserves, the supply could only be expanded 10 times, and so that the government could use the money the banks were not using for their own spending so as not to increase the deficit.

(5) With respect to general welfare schemes, studies in the U.S. show that increased benefits have caused increased dependence on the system. For the same expenditure of money, we could devise a “work for welfare” system which would have more positive and productive results.

(6) Young able-bodied, unmarried welfare recipients could be involved in reforestation programs in order to receive benefits.

(7) Incentives are necessary to break the cycle of dependence on the system which, at the same time, could benefit problem areas in the economy such as care for the elderly, housing, agriculture and so on.