

economy no one can know what is going to be needed, because even the growth industries aren't growing. People can become more skilled; but if [millions of] workers have to be unemployed to control inflation, then there are going to be [millions of] unemployed people regardless of how many skills they have acquired. Training may reshuffle unemployment to different individuals, but it cannot change the final outcome."<sup>7</sup>

(237) In other words, training is not a universal cure for the economy's ills. Training is a cure for lack of training. It will not necessarily lead to job creation. Without job creation the economy will grow more slowly and so will business earnings; hence, there will be less money for training.

(238) Recent work by the Organisation for Economic Co-operation and Development (OECD) challenges the traditional view that education and training are directly linked to employment and unemployment. Statistics show that the higher the level of educational attainment, the better the chances of getting a job. However, "... since this is part of a process of competition and selection, it follows that **education and training cannot increase the chances of everyone getting a job if the total number of jobs is fixed.**"<sup>8</sup> (Also, John and Aigner, para. 7).

(239) Admittedly, re-training long-term unemployed persons so they can take away jobs from currently employed workers has some good aspects: it allows the long-term unemployed to get back into the workplace. However, when employment is not growing faster than the labour force, we are training unemployed people to take jobs away from employed people who will, in their turn, be unemployed and undergo training to win back a job: several people alternate in holding down one job. However, re-training long-term unemployed people so they can take jobs away from currently employed people is vehemently opposed by unions and professional groups.

(240) As one alternative, we should examine whether we can combine job creation and training, as they do, for example, in Sweden.<sup>9</sup> This combination of "training for change" and job creation that reduces resistance to such change may lessen the cost of adjustment by making our society richer. It may prove to be a promising avenue for putting in place whatever training programs are deemed necessary to keep our labour force innovative and competitive.

(241) Again, before proposing a training-plus-job-creation-program we should ask whether we can afford it or, to be blunt:

- (i) If 85% of the population are doing all right economically, why bother with job creation at all?
- (ii) Might it not be cheaper to keep a person unemployed rather than to create a job for that person?
- (iii) Can one create jobs and not cause inflation?
- (iv) Can one create jobs and not increase the deficit?

(242) To be able to answer these legitimate questions, we must look at our economy. As the *Ontario Study of the Service Sector* says (p. 5), we need a

"... clear and broadly shared perception of the economy in which we are now operating and an understanding of how assumptions and approaches that were appropriate to an earlier era should now be modified. This understanding can then inform the entire policy process and provide a context for the broad range of decisions that affect our social and economic development."

(243) This report, therefore, examines the economic dimensions within which we could operate a job-creation-plus-training scheme. This is not a new scheme — nothing much is new in government. But what sometimes works is a recombination of policies that have been tried before. By understanding their failures and successes, it is sometimes possible to come up with new solutions that minimize the failure and maximize the success.

(244) We shall examine Canadian incomes, taxes and government spending over two decades as if Canada were a growing family living under the same roof. Over the years, a family will spend more if it grows more numerous; it will also spend more if it gets wealthier. Such increased spending is likely. Meaningful comparisons between what a family earned and spent once, and what it earns and spends now, can only be made in terms of **what proportions of its earnings it spent on which item.** For a country, this means making comparisons across the years in percentages of the Gross National Product — the total "family" revenue. Only after considering such comparisons can we discuss which "family members" should contribute more or what expenses could be cut