

(27) Even those who are manual workers will need an ability to deal with abstract concepts because of the interplay between engineers and operators (see para. 23, above).

(28) It is certain that manufacturing jobs will diminish; jobs may develop in the tertiary sector, in services, research, development and so on.

(29) The economy must be able to transfer investment to new and productive areas, e.g. shift from textiles to aerospace engineering.

(30) In France, this transfer is not being made quickly enough; jobs are being artificially maintained in shrinking sectors and the economy is less productive as a result.

(31) If one were to create socially desirable jobs, with current rulings, the danger would be that of being forced to remunerate them at an artificially high wage — higher than the rate the market place would set.

(32) The current labour market in France consists of: those who are unemployed; those whose wages may be less than the minimum wage; full time workers. There is very little flexibility to allow for part-time work and so on.

(33) There are many socially valuable jobs (travaux d'utilité collective) which could be done: clearing the underbrush from forests; taking care of the aging population in their homes, etc.

(34) To maintain the current length of the work week, we must be able to shoulder the increased salary costs associated with higher levels of productivity and competitiveness and, therefore, increasing production.

(35) In the absence of increasing production, the work week must be shortened, or rather, models for part-time work with flexible pay formulæ must be developed.

**Interview with Michael Walker
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(1) Government failure is one of the main causes of unemployment. Policies are often well-intentioned but do not have the desired effect.

(2) Minimum wage policies are an example of a government action which causes a certain amount of unemployment, particularly among youth.

(3) The minimum wage laws keep unemployed those who have the most difficulty in getting a job.

(4) Interprovincially, there is a strong correlation between the level of mandatory minimum wage and the youth unemployment rate.

(5) The U.I. scheme is also a source of unemployment. A study of 12 countries by the Fraser Institute shows that, the more generous unemployment support systems are, the more unemployment there will be.

(6) This is, to some extent, a question of demand: if one reduces the cost of unemployment (through unemployment benefits) there will be more of a demand for unemployment.

(7) In addition, an unemployment insurance program that does not penalize firms that hire unemployed workers on a seasonal basis encourages seasonal unemployment.

(8) Job creation programs at the provincial level often are such that they purposely last only long enough for a participant to qualify for U.I.

(9) The use of work-sharing as an alternative to lay-offs (e.g., Ontario Cement, 1975), made possible by using U.I. funds to top up wages, ignores the economic signals sent to a firm indicating that profits are down, the return on capital is down, demand is down and that other jobs could be found in other areas with higher demand where the return on capital is better.

(10) Italy has studied the effect of using work-sharing to keep unemployment down. The results have not been favorable.

(11) Although, as Thurow suggests, people want job security and stability more than high wages, policies which ignore the market in favour of well-intentioned programs which misallocate capital eventually fail.

(12) If capital is not allocated on an on-going basis to activities where the best return can be sought, those who are least able to cope with the resulting instability will be the ones in jeopardy.

(13) The system of non-price rationing (as a means of distributing public goods) which removes the profit