

simply a demonstration that it is no cheaper and may well be much more expensive to keep people unemployed rather than give them jobs **IN WHICH THEY PRODUCE NEEDED GOODS OR SERVICES FOR THE SOCIETY.** This demonstration gets us closer to determining whether we can afford the training programs suggested earlier or a training-plus-job-creation scheme (paras. 154-182).

(197) We have seen that it would apparently, cost the three levels of government less to employ the unemployed than to pay them unemployment benefits. **But are there other costs involved in creating truly needed jobs? Can such jobs be created without affecting the economy adversely?** We asked the Economic Council of Canada and Informetrica, economic consultants, to answer this question with the help of their computerized econometric models. The reasoning for undertaking these tests was that we cannot calculate the cost of every possible training-plus-job-creation scheme imaginable in which the government will probably pay only part of the cost of job creation. However, if we could establish the full cost of job creation, we could get an idea of whether we can afford policies in which government pays less than the full cost of such job creation.

(198) Essentially, we asked the Council and Informetrica to suppose that the three levels of government would spend \$14,040 per job to create jobs so that the unemployment rate would fall to 4% in four years. This spending would be no more than each unemployed cost the three levels of government when he or she was on welfare or unemployment insurance in 1985. What would be the effects of such a program on the deficit, on inflation, on the GNP?

(199) To make our questions to the Economic Council and Informetrica more specific, we gave a list of job categories and the number of jobs to be created in each category. **It is important to keep in mind that this list is one among many possible lists.** For example, a national day care program, if launched, could create many more jobs than the amount allotted to day care on the accompanying list of proposed new jobs. The choice of where to encourage job creation will be determined by a combination of political decisions and free market opportunities.

(200) Here is the list:

Activity	Additional Jobs in Four Years
Low Cost Housing	55,232
Restoring Housing Stock	59,476
Restoring Infrastructure (water mains, sewers, etc.)	8,712
Tourist Facility Construction	59,476
Reforestation, Maintenance	17,336
Repairing and Double- tracking Railroads	67,016
Home Care for the Elderly and Mentally Ill	16,704
Illiteracy Eradication	34,968
Tourism Employment	132,988
Day Care	27,488
Environmental Restoration	43,940
Other Jobs (spinoffs from above)	<u>73,313</u>
<b>TOTAL</b>	<b>596,647</b>

**NOTE:** The number of new jobs projected in each category is proportionate to the number of existing jobs in that category as a percentage of total employment in 1985.

This figure of 596,650 new jobs would lower the 8.25% unemployment rate projected by the Hon. Michael Wilson for the year 1990 to 4% (see Appendix A, para. 18.)

(201) Further, we asked Informetrica and the Economic Council to assume that the cost for creating these additional 596,650 jobs by 1990 would be \$14,040 per job (the cost to government of each unemployed, see para. 71 above); plus another \$7,250 to help finance its creation. This \$7,250 was to be found by diverting current government expenditures that underwrite the use of equipment rather than the