Strategy needed

BRIAN HENRY

Jim Coutts says that to survive as a country, Canada needs a unique strategy to deal with the fundamental change the North American economy is experiencing because of new technology.

Speaking at Glendon College February 7th, Coutts said that historically, jobs in the resource and manufacturing sectors have disapperaed as fewer workers are required to. do the same amount of work, and the number of workers in the resource/manufacturing sector has decreased relative to the number of workers in the service sector.

What is new, said Coutts, is that the time frame in which these changes occur has collapsed. "It used to take a family 30 years to move from the farm to the city. Today it takes 30 seconds for a worker to receive a lay-off notice."

Coutts expressed confidence that the recession will end soon. He said, however, that the renewal of wealth creation in the resource/manufacturing sector will not be accompanied by the rehiring of all the workers laid off in these industries.

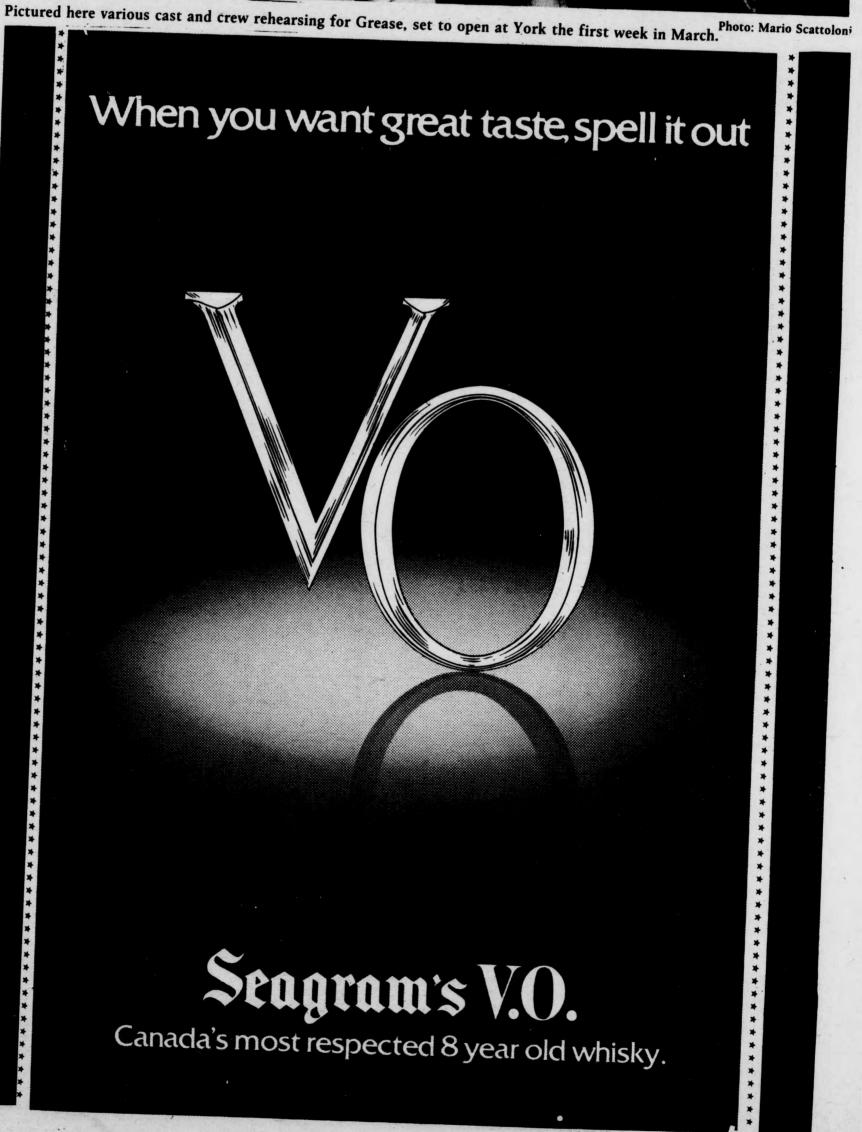
As an example, Coutts noted that because lasers and fibre optics are replacing wiring, half the copper mines closed during the recession will not reopen. Similarly in the auto industry, of the 40 per cent of workers laid off during the recession, half will never be recalled.

According to Coutts, Canada needs "a critical mass" of highly efficient industries in the resource/manufacturing sector. Although there will be fewer jobs in these increasingly automated industries, they will produce the wealth required to sustain the service sector of the economy.

Coutts argued that technology need not cause a net loss of jobs provided political leaders follow a strategy which encourages both wealth creation in the manufacturing/resource sector, and job creation in the service sector.

According to Coutts, Canada's competitive advantage is its mixed economy. "Canada has always experimented with different forms of enterprise," and should capitalize on this experience by building





needed industry through creative joint ventures.

He stressed that government need not be a partner in such joint ventures, but that a variety of different partners exist.

To encourage jot creation, Coutts contends that the government must unshackle the small business. He said that it is not the large corporations which create jobs, but the businesses with 25 or less employees. "There has been a net decrease in the number of people employed by large corporations," said Coutts.

Coutts proposes that a "massive" amount of capital at low interest rates should be made available for small businesses and the abolition of the capital gains tax. And added that the burden of filling out government forms should be drastically reduced.

To compensate those who have put in many years at a job only to have technology make it obsolete, Coutts favours a reformed pension plan or some other type of guaranteed income.