

Presentation to the Community Forum on Ottawa's High Tech Industry

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Good evening Mr. Minister, Mr. Pratt, Ladies and Gentlemen

My name is Robert Chisholm; I'm a mechanical engineer from the U.K.. Lately I got into computer programming for IT applications but the job market is impossible.

I am very pleased that this event is taking place, because this is a starting point for some major changes for the better not only in Ottawa but the country as a whole.

Mayor Bob Chiarelli and his team, with whom I have been corresponding for several years now, have been working very hard on dealing with the problem I'm about to refer to, in Ottawa, with limited resources at their disposal.

I mean unemployment. In this country, it is 4 to 5 times what the figures for *official unemployed* would suggest. In September 2001, the official unemployed numbered about 1.2 million. Based on the Fall 1998 report, *Ottawa's Hidden Work Force*, one could estimate the true numbers of unemployed in Canada for September 2001 as between 4.3 and 5.2 million persons, of whom about 3.1 million were hidden within the HRDC/Stats Can category *Not in the Labour Force*.

This has big implications for the tax base and hence the future availability of funding for essential services such as health care, education, the armed forces, security services (R.C.M.P. and C.S.I.S.). As we know, these services are already in severe difficulties over funding.

In February 2000, the Association of Canadian Pension Management estimated that tax rates in Canada might have to rise by 30% in real, after-inflation terms, on account of demographics and in particular the retirement of the baby-boom generation, over the next 30 years.

At the same time, to help make up for the anticipated shortfall in the work force, the government plans to attract about 300,000 immigrants each year. This will work if and only if we pay attention to what is required to create the jobs for those immigrants, plus 4.3 to 5.2 million real-term unemployed, so that they can all contribute appropriate amounts to the tax base.

Traditional media reports, based on the monthly Statistics Canada and HRDC data, have always referred only to the figures for *official unemployed*, and present them as the numbers of people unemployed in real terms. They also refer to other people who *have dropped out of the labour force*, *have given up looking for work* or are *discouraged workers*; nobody discusses how or why they got into that position, the numbers involved,

the public image they get, or what is necessary to convert them into tax payers to help pay for the essential services referred to.

In fact, as we have seen, these people who are unemployed in real terms but not officially recognised as such –for instance, people who have never been able to get work because of a lack of available jobs – are hidden from view by being included with retirees, students, disabled, *non-working* spouses etc. in that category called *Not in the Labour Force*.

To have a sound basis for knowing the numbers of jobs needed to maximize revenues for the tax base, we also need regularly up-dated data similar to what was included in the 1992 Statistics Canada report, *Survey of Persons Not in the Labour Force*, the only one of its kind to date. Such surveys may not be easy or cheap but there is no other way.

Taking Ottawa as an example, we needed about 145,000 new full-time jobs as at Fall 1998; now, we probably need a bit more than this plus roughly another 7,000 new jobs per year for the new immigrants who are to be tax payers. It appears from the ICF Consulting report of Fall 2000, about 26% of all private sector jobs in Ottawa were either in the High Tech industry or tourism and these sectors generate all the wealth for the Ottawa economy, from revenues originating from outside Ottawa and outside Canada.

I personally would hazard a guess that in Ottawa we need to create something like 40,000 new full-time jobs in the high tech sector, plus roughly another 1000 per year in that sector to account for immigration. I think this is a realistic starting point for refining our ideas about the numbers of jobs needed – far more than is apparent to most people - in all the trades and professions which make up the complete economy in Ottawa, in both the private and public sector.

There is a clear need to change the general mind-set in this country concerning immigrants, unemployment and excessive competition for jobs. There is also a clear need for tax and interest rate policies and E.I. policies which reflect the need to create between 4.3 and 5.2 million new full-time jobs in Canada, in order to make tax payers out of all the real-term unemployed, plus roughly another 200,000 jobs per year to make tax payers out of all the working immigrants we plan to attract. Clearly the emphasis must be on helping the High Tech industry, to under-pin everything else.

It ultimately about tax rates and funding for essential public services. If government needs more tax revenue to pay for essential services, we must create more tax payers – hence jobs - in Ottawa and everywhere else.

Mr. Minister, Mr. Pratt, Ladies and Gentlemen, thank you.

Note. This is the written submission that I made to the forum. My actual address to the Minister, David Pratt and the audience was a shortened version (90 seconds as opposed to 4 minutes) of this, due to time constraints. There was also a link to an

earlier version of my web site with information about the “Ottawa’s Hidden Workforce” report of Fall 1998.