

Canadian government's Coronavirus response: Tens of billions for business, a pittance for healthcare and workers

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Prime Minister Justin Trudeau unveiled yesterday morning what he called an \$82 billion aid package for Canadian “workers and businesses” aimed at sheltering them from the economic fallout from the global coronavirus pandemic. In fact, the lion's share of the money will go to propping up business so as to ensure the profits and investments of the corporate elite.

Trudeau's announcement came as the number of coronavirus cases in Canada, the US, and Europe continued to surge. By yesterday evening, there were 666 confirmed coronavirus cases in Canada, more than quadruple the number last Friday, and a further 39 “presumptive cases.” The official death toll stood at nine.

With global financial markets reeling and economic life rapidly shutting down across North America as the result of hastily improvised government orders to close schools, services and non-essential businesses, the corporate media is full to the brim with worried commentary. Numerous economic analysts are warning that the coronavirus risks provoking an economic slump that will dwarf that triggered by the 2008 financial collapse, and are urging the federal and provincial governments to funnel unlimited resources into bailing out big business.

Nowhere near as much alarm has been expressed by the corporate media about the thousands or even hundreds of thousands of Canadians who could die due to the failure of the federal Liberal and various provincial governments to take serious steps, prior to last week, to halt the spread of the coronavirus and to save those who contract COVID-19, and the Canadian elite's decades-long healthcare austerity drive.

The aid to business outlined in yesterday's announcement is only the latest in a flurry of government measures aimed at propping up corporate Canada. Moreover, Finance Minister Bill Morneau has promised that in the coming days he will provide additional government assistance for the airlines, oil and gas, and other particularly hard-hit industries.

Last week the Bank of Canada and Office of the Superintendent of Financial Institutions announced a \$300 billion scheme to prop up the country's banks by buying \$50 billion of their mortgages and halving their bank capitalization requirements. The banks, in turn, are expected to step up their lending, helping businesses weather the economic storm, all the while turning a handsome profit.

While the Liberal government is handing out lavish sums to corporate Canada, it is placing workers and their families on rations amid a raging global pandemic. A key element of Trudeau's “aid” package for workers is an “emergency care benefit” of just \$450 per week. It will be made available to workers who are sick, have to stay home to care for a sick person, or are ordered to self-isolate and who have no income-support from their employer.

The government also announced a modest temporary top-up to the existing child benefit, at a cost of \$2 billion, and a one-time hike in the GST (Good Services Tax) rebate for lower income Canadians. Payments of an undetermined amount will be provided to the large number of contract, gig-economy and self-employed workers who do not qualify for Employment insurance, but the application process for this new “emergency support benefit” will only be launched in April.

Like those receiving employment insurance, recipients of the “emergency support benefit” will get no more than 60 percent of their normal paycheck. This under conditions where numerous studies have shown that a large percentage of the workforce, and above all the lowest paid workers, live from paycheck to paycheck and have little to no savings.

Trudeau also announced yesterday an agreement with the United States to limit cross-border traffic to essential travel. The deal aims to secure business supply-chains, including those of the large corporations that operate on just-in-time production, so as to guarantee they can continue to operate and make profits during the pandemic. The bilateral agreement was hailed by US President Donald Trump, who

stressed it is being implemented “by mutual consent.” For his part, Trudeau emphasized that corporate Canada’s access to its most important export market would be guaranteed by the deal. “Supply chains, including trucking, will not be affected by this new measure,” Trudeau reassured the corporate elite. “Trade will not be affected,” Trump added on Twitter.

A top priority of the Liberal government since it came to power in 2015 and throughout the coronavirus crisis has been to maintain and expand Canadian imperialism’s military-strategic partnership with Washington. Under last week’s deal to suspend parliament, the Trudeau government, joined by all four opposition parties, rushed into law the US-Mexico-Canada Agreement, which replaces NAFTA and will strengthen North America as a US-dominated trade bloc capable of waging economic warfare and military conflict against rival powers, above all Russia and China.

While no effort is being spared to safeguard the interests of the corporate elite, the government’s measures to strengthen Canada’s dilapidated and overcrowded healthcare system to combat the pandemic have been both paltry and dilatory.

Last week, as coronavirus cases were spiking, Trudeau announced just \$1 billion in additional spending to fight the pandemic. This includes \$500 million for the provinces, who are responsible for managing most of the country’s healthcare system, as well as money for research into vaccines and other treatments, and the purchasing of medical equipment.

Only last week did Trudeau and Deputy Prime Minister Chrystia Freeland even bother to write to the provinces to request information about the state of their medical supplies and what equipment they require.

Even today there is no accurate census of the vital medical supplies needed to fight the pandemic, such as masks and ventilators. As many as 20 percent of COVID-19 patients may need the help of a ventilator to survive. Yet nothing was done over the past ten weeks to augment Canada’s estimated supply of just 5,000 ventilators.

The delay in mobilizing resources to fight the spread of the pandemic, including the organization of systematic testing is proving disastrous. According to data available on the Public Health Canada website, some 20 percent of all COVID-19 cases as of Tuesday resulted from community transition, underscoring that the authorities have failed to contain the disease.

According to Michael Warner, medical director of critical care at the Michael Garron Hospital in Toronto’s east end, the emergency measures announced in recent days by provincial and federal governments haven’t gone far enough to halt community transition. Warner said his department is preparing for “combat medicine,” and warned that frontline

physicians fear that Toronto is heading for a situation like northern Italy. There hospitals have been overwhelmed by the crush of new coronavirus patients and doctors have been forced to choose between which patients should be treated and which left to die. As of yesterday, close to 3,000 people had died in Italy due to COVID-19.

Canada’s unpreparedness for the pandemic—for which the ruling elite and its political representatives are wholly responsible—is all the more scandalous given that apart from several countries in Asia, Canada was the hardest hit by the SARS outbreak in 2002-03. Whereas China, Taiwan, and Singapore adopted measures based on this experience, including widespread testing programs, early quarantining of suspected cases, and a massive expansion of hospital capacity, Canadian governments learned nothing.

On Tuesday, Eric Gjerde, CEO of Airon Corporation, a US-based manufacturer of ventilators, expressed his astonishment that Canada had not stockpiled ventilators following its experience with SARS in 2003. Forty-four people died during the outbreak across Canada, including at least 32 in Toronto. “Your government and Ministry of Health should have hundreds of ventilators in storage,” he wrote in an email to CBC. “These ventilators can sit in boxes for years, with no maintenance. When they are needed, you just attach oxygen and you are good. It is just frustrating that governments can’t think ahead and be prepared!”

The *Globe and Mail* reported last week that a ventilator, which can save the life of a seriously ill COVID-19 patient by helping them breathe, costs just \$10,000. Canada thus could have purchased 1,000 ventilators for a mere \$10 million—a drop in the bucket compared to the billions showered on the corporations with no strings attached.

The Trudeau government only issued initial tenders for urgently needed medical supplies last Thursday. Exploratory talks with private businesses about transitioning to the production of medical equipment were launched Tuesday.



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