

Canada registers 500,000 Employment Insurance claims in one week, as Coronavirus triggers jobs massacre

Roger Jordan
23 March 2020

In just four days last week, Canada's federal government received 500,000 applications for Employment Insurance (EI) from laid-off workers. The figure is far higher than the 425,000 total jobs lost in the eight months immediately following the eruption of the 2008 global financial crisis, and points to the countrywide job massacre that has been triggered by the spread of the coronavirus pandemic.

According to University of Calgary economist Trevor Tombe, last week's EI applications equaled 2.6 percent of the total Canadian labour force. This is in line with percentage of the workforce that lost their jobs in July 1932, the worst month for layoffs and plant closures during the Great Depression.

But in reality, the current jobs crisis is even worse. As a result of the cuts made to unemployment benefits by Liberal and Conservative federal governments over the past 40 years and the rise of precarious contract work, just 40 percent of jobless workers qualify for EI, although this figure tends to rise in the first stages of a pronounced economic crisis, when many longtime workers lose their job.

All this suggests that the true number of workers who lost their jobs last week is many hundreds of thousands more than half-a-million, and could possibly be as high as a million.

Economic analysts are now projecting that Canada's economic output will contract by a staggering 11 percent in the second quarter of 2020. In the United States, far and away Canada's most important trading partner, output is expected to plunge 24 percent, according to Goldman Sachs.

The layoffs have swept across the entire economy. In the airline sector, Air Canada is laying off 5,100 flight attendants, while Air Transat will cut 2,000 jobs.

Longview Aviation Capital, which manufactures twin-engine aircraft, will cut close to 1,000 positions at its production sites in Ontario, Alberta, and British Columbia. In the auto industry, tens of thousands of workers at the Detroit Three plants in Ontario and related parts suppliers have been, or soon will be, laid off, after workers protested over being made to work in unsafe conditions, packed together on assembly lines.

In the arts and entertainment sector, the Banff Centre for Arts and Creativity is laying off 400 workers. Hundreds of thousands of low-paid workers in theaters, cinemas, restaurants, the film and television industries, and tourist services are now out of work.

The best the many hundreds of thousands of workers of newly unemployed can hope for is that they receive 60 percent of their former salary, as under the current EI system, with the maximum benefit capped at \$573 per week.

This will leave the vast majority struggling to make ends meet. For those not eligible for EI, the situation is even more dire. Last week the government announced a temporary Emergency Support Benefit, whose details were worked out in close consultation with Canadian Labour Congress President Hassan Yussuff. It is supposed to provide support for short-term contract, gig, and other workers who don't qualify for EI. However, the details are vague, no benefits will be paid out until sometime next month, and people have to apply online through their Canada Revenue Agency account, providing additional obstacles, especially for lower-paid and immigrant workers, to accessing support.

As a companion to its Emergency Support Benefit, the Trudeau Liberal government also announced last week a temporary Emergency Care Benefit. Its stated aim is to provide support to workers who miss work because they:

are ill with the coronavirus or have to go into quarantine, but don't have employer-paid sick-leave; need to care for a family member sick with COVID-19; or must tend to their children because of coronavirus-forced school closures.

This benefit will pay just \$450 per week, barely enough to meet the cost of rent in a large city, never mind expenses for groceries and other necessities of life, for a maximum of 15 weeks. Like the Emergency Support Benefit, the Emergency Care Benefit will not even begin providing support till sometime next month.

"My biggest worry is my rent," a self-employed makeup artist now out of work told the *National Post*. "I can only survive for a month on what I have now." Referring to the Trudeau government's emergency benefits, she added, "It doesn't give me much reassurance."

While Trudeau's Liberals are proposing to place workers who lose their jobs on rations, their generosity towards big business knows no bounds. With a \$50 billion program to purchase mortgages from the banks, a regulatory change halving required bank-capitalization levels, and other measures, the Bank of Canada, the Office of the Superintendent of Financial Institutions, and other arms of the government have already placed \$500 billion at the disposition of the financial elite. This does not take into account \$10 billion in direct aid to business through a Business Credit Availability Program and \$55 billion in tax deferrals that will overwhelmingly benefit big business and the rich. Just a fraction of the gargantuan sums being handed over to business and the financial elite, \$26 billion, would suffice to pay all new 500,000 EI claimants \$1,000 per week (roughly equivalent to the current average weekly wage) for the next 12 months.

Trudeau claimed at a press conference Sunday that more financial assistance is being prepared and will soon be announced. But there is no indication to suggest that any of these new measures will alter the Trudeau government's policy of opening the Treasury wide to the financial elite and providing meager rations for working people.

The ruling class agenda is fully endorsed by the trade unions, which played a key role in crafting the Trudeau government's pro-big business measures. As he began talks with the Liberals and representatives of the corporate elite on the government's COVID-19 Economic Response Plan, CLC President Yussuff said that it was necessary to establish a "collaborative front" to tackle the coronavirus pandemic.

This "collaborative front" aims to protect the wealth of the capitalists, while offering a pittance to laid-off workers and Canada's overstretched healthcare system.

The ruling elite has done virtually nothing to prepare for the COVID-19 pandemic, squandering the two-month "window" offered by China's efforts to halt the disease's spread. Trudeau and Deputy Prime Minister Chrystia Freeland only wrote to the provinces two weeks ago to inquire about the state of their stocks of medical equipment and supplies. Moreover, decades of austerity, implemented by all the establishment parties, from the Conservatives, and Parti Quebecois and CAQ to the NDP, have left Canada's dilapidated hospitals ill-equipped to deal with the pandemic.

With 1,400 confirmed coronavirus cases in Canada and 19 deaths, doctors are already issuing dire warnings. On Saturday, doctors at the Royal Columbian Hospital in the Vancouver suburb of New Westminster warned that the rapid spread of the disease in Canada's third most populous province and shortages of equipment and personnel could soon lead to the health care system being overwhelmed as in Italy. "Tragically," wrote the Royal Columbian's head of medicine, Dr. Gerald Da Roza, on behalf of the hospital's physicians, "Italy has had to choose who can receive intensive medical care based on age and risk profile; please do not force us to implement similar policies here as our hospitals become overrun."

The Liberal government's placing of workers on rations, and its refusal to systematically mobilize society's resources—currently monopolized by big business—to halt the spread of the virus, ensure the best treatment for all COVID-19 patients, and shield working people from the pandemic's economic fallout underscore the urgent necessity of the working class intervening independently to assert its interests. A comprehensive program of testing, tens of billions of dollars to strengthen the healthcare system, and hundreds of billions to provide a secure, livable income to the millions of workers and their families impacted by the crisis are essential measures. They will only be realized in bitter struggle against the socially criminal policies pursued by the capitalist class and all their political representatives.



To contact the WWSWS and the
Socialist Equality Party visit:

wwsws.org/contact