Canada’s trade unions back Liberal “coronavirus plan” to bail out big business, place workers on rations

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Canada’s trade unions have rushed to the aid of the Justin Trudeau-led federal Liberal government, as the unprecedented health and socio-economic crises triggered by the coronavirus pandemic are exposing it as the naked instrument of big business and mortal enemy of the working class.

The Liberals have responded to the pandemic with policies predicated on the subordination of society to corporate profit that will have a devastating impact on working people, including by multiplying the pandemic’s cost in human lives many times over.

The Liberal government is handing over virtually unlimited funds to the banks and big business so as to protect their wealth and profits. Some $550 billion in support has already been announced. Meantime, working people whose incomes are being devastated by the pandemic and its economic fallout are to be placed on rations. Similarly, the funds and resources that the government is mobilizing to combat the health emergency are woefully inadequate.

The unions’ support for the government’s COVID-19 Economic Response Plan includes helping deceive the public as to its purpose and import. They are complicit in the government’s attempt to tout an $82 billion package of measures announced March 18 as the centerpiece of its emergency economic response, concealing the far greater sums that have been placed at the disposal of the banks and big business.

The Canadian Labour Congress (CLC) responded to the March 18 announcement with an official statement hailing the new measures, which it said would “aid” workers and “help Canadian families deal with the major upheaval” produced by COVID-19.

In reality, the government’s measures, which were worked out in close consultation with CLC President Hassan Yussuff and big business representatives, like former Conservative cabinet minister and Chamber of Commerce head Perrin Beatty, offer workers no more than a pittance.

What is contained in the union-backed Response Plan?

The lion’s share of the $82 billion, fully $55 billion, is set aside for tax deferrals that will overwhelmingly benefit big business, the rich and super-rich. There is just $27 billion in support for low-income Canadians, and those forced to miss work because of the virus, or who have seen their jobs disappear.

Anyone without employer-paid sick-leave benefits who has to miss work because they contracted the virus, has to self-quarantine, or look after a family member impacted by the pandemic will receive an Emergency Care Benefit of just $450 per week. This is barely enough to cover rent payments in a large city, never mind meet the basic necessities of life.

Those who lose their jobs and don’t have access to Canada’s shrunken Employment Insurance (EI) system are to receive an Emergency Support Benefit, that, like EI, will at most pay them 55 percent of their normal pay to a maximum of $573 per week. This benefit is supposed to represent a buffer for the estimated 1.7 million “gig economy” workers, other short-term workers and the self-employed. However, the government has committed to spending just $5 billion on it in the midst of a tidal wave of layoffs and shutdowns. Yesterday it was reported that 929,000 newly-jobless workers, or the equivalent of 5 percent of Canada’s total labour force, filed for EI last week.

The tax breaks for the corporations are only the tip of the iceberg. Through a flurry of initiatives, including a $50 billion mortgage buyback scheme and the halving of bank capitalization requirements, the Liberal government, various Crown agencies, and the Bank of Canada have funneled well over $500 billion to the banks and big business.

Meanwhile, the federal government is injecting just $1 billion into Canada’s healthcare system, which even prior to the outbreak of the coronavirus pandemic was gravely overstretched because of shortages of supplies, equipment and staff. While the Liberals have opened up the spigots for big business over the past two weeks, medical professionals have been issuing ever more anxious warnings that Canada will soon reach an Italy-style situation, where overworked doctors and nurses are forced to determine who will live and die due to a lack of medical equipment.

Predictably, the unions are justifying their increased collaboration with the government and big business by claiming that “national unity” is needed in a time of crisis. Yussuff, speaking on behalf of the entire trade union bureaucracy, has called for a “collaborative front” with government and business.

While the CLC preaches “unity” and “collaboration,” the actions of the Liberal government underscore that the ruling elite is intensifying its class war with the aim of making working people bear the cost of the socio-economic crisis, and exploiting the dislocation it is causing to further reshape class relations in its favour. On an even greater scale than the Harper Conservative government did during the 2008-9 global financial crisis, the Trudeau Liberal government is intervening to transfer vast quantities of wealth from the bottom to the top.

Yussuff’s “collaborative front” thus amounts to an alliance to protect the wealth of Canada’s super-rich while denying urgently needed resources to the healthcare system and working people.

It also aims to conceal the criminal responsibility of the ruling elite and their political representatives for the devastating impact of the pandemic. The federal Liberal and various provincial governments squandered a two-

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month period during which the seriousness of the health risk was already clear due to COVID-19's deadly impact in China. No preparatory measures were taken, such as the purchasing of essential medical supplies and equipment, even though the World Health Organization and other experts repeatedly warned of the looming threat.

Then, as coronarvirus cases surged in the second week of March, Ottawa and the provinces began announcing a series of improvised, patch-work measures. Whilst the closure of schools and non-essential businesses and quarantines are necessary, absent mass testing and the mobilization of society's resources, currently monopolized by big business and the rich, to strengthen the health care system, they cannot halt the spread of the pandemic and prevent mass fatalities.

A further critical factor in the current crisis is the decades of austerity measures imposed by all the establishment parties, from the Liberals and Conservatives to the NDP, Parti Quebecois, and Coalition Avenir Quebec. They have left the public health system in shambles, with doctors, nurses and other health care workers scrambling to cope with staff, bed and equipment shortages even in normal times.

The unions' partnership with the big business Liberals

An urgent warning must be made to workers. The unions are reprising the role they played during the 2008-9 financial crisis, when they supported the attempt to bring to power a Liberal-NDP coalition government committed to $50 billion in corporate tax cuts, "fiscal responsibility," and waging war in Afghanistan, and colluded with big business in imposing massive job, wage, and pension cuts. In the name of "saving jobs," Unifor's predecessor (the Canadian Auto Workers) backed the "bailout" of the Detroit Three automakers, which made the auto industry profitable for investors again by slashing wages and benefits, and creating a multi-tier workforce. The standard set in the auto industry soon became the benchmark for industrial workers across the country.

Having played an indispensable role in defending bourgeois private property and corporate profits amid the greatest capitalist crisis since the Great Depression, the unions sabotaged worker resistance to the Harper government's post-2010 austerity drive and its ever-expanding assault on worker rights. This culminated in their mounting an "Anybody but Conservative" campaign in the 2015 federal election campaign that paved the way for the return to power of the Liberals, the Canadian ruling class' traditional party of government.

After Trudeau took office, union leaders, including Yussuff and Unifor President Jerry Dias, developed a close partnership with the government, serving as its advisors on key initiatives. This included helping fashion the United States-Mexico-Canada Agreement (USMCA), an updated version of NAFTA that aims to transform North America into a US-led trade war-bloc that can advance the interests of US and Canadian imperialism against their common overseas rivals, above all China.

The union-backed Liberals have also massively hiked military spending and further integrated Canada into Washington's principal military-strategic offensives, in the oil-rich Middle East, and against nuclear-armed Russia and China.

The unions' traditional political allies in the New Democratic Party (NDP) have fully endorsed their promotion of the big business Liberals as a "progressive" party and ally in the fight against the Conservative right. Both during and after last October's federal election, NDP leader Jagmeet Singh pleaded for a coalition or other form of governmental alliance with Trudeau and his Liberals. And like the unions, the NDP has responded to the coronavirus pandemic by offering to collaborate still more closely with the government, and by lauding its miserly makeshift worker-assistance programs.

The unions' preaching of "collaboration" at the very point where the corporate elite is raiding the public purse to the tune of hundreds of billions of dollars for the second time in just over a decade flows from their primary objective: to suppress the class struggle and uphold the capitalist profit system. In Canada as around the world, the two years preceding the outbreak of the coronavirus pandemic were characterized by a growing global counter-offensive of the working class against decades of austerity, imperialist wars and ever deepening social inequality. Just last month, over 200,000 Ontario teachers and school-support staff joined a province-wide strike to oppose the gutting of public education by the right-wing populist government of Premier Doug Ford.

The pro-capitalist union apparatuses are terrified that the intersecting health, economic, and social crises triggered by the COVID-19 pandemic will serve as the catalyst for the eruption of mass working class opposition. Recent weeks have seen a wave of job actions by workers protesting their employers' failure to take elementary preventive measures to suppress the spread of the coronavirus. This includes a day-long work stoppage at Fiat-Chrysler's giant Windsor assembly plant, and smaller job actions by Toronto Transit Commission workers, and Quebec construction workers.

While workers are striving to assert their class interests, the unions are desperately seeking to demobilize the working class. The Ontario teachers unions have invoked the exceptional conditions created by the coronavirus as the excuse for their either reaching sell-out concessionary agreements with the Ford government or indefinitely suspending all job action. In Quebec, healthcare unions representing 130,000 nurses and medical technicians have agreed to the request of the right-wing CAQ government that they negotiate "emergency" three-year contracts that will perpetuate under-staffing and other dangerous and stressful working conditions.

If workers are to counter the rapacious and ruinous actions of the capitalist elite and assert their class interests amid an unprecedented health emergency and economic breakdown, they must build new organizations of struggle, independent of and in opposition to the pro-capitalist unions. Workers must form committees of action in workplaces and neighbourhoods to fight for their urgent demands, including hundreds of billions of dollars to provide universal, easily accessible testing, strengthen the healthcare system, and guarantee a secure, livable income for all workers impacted by the crisis. The adoption of such measures, which are urgent if the lives of hundreds of thousands are to be protected, requires a frontal assault on capitalist private property so that the vast sums of wealth being hoarded by the super-rich can be deployed to combat the COVID-19 pandemic and the capitalist economic collapse.

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