Canada: More than 5 million workers apply for government assistance amid coronavirus pandemic

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More than 5 million workers—or about one in every fourth person in Canada's workforce—has applied for government assistance since the coronavirus pandemic erupted across Canada in the second week of March.

This staggering figure is comprised of all those who applied for Employment Insurance and the newly-created Canada Emergency Response Benefit (CERB) between March 16 and Wednesday evening. This number is continuing to swell as people whose birthdays fall in October, November, and December were only allowed to apply for the CERB beginning Thursday.

In a separate report released yesterday, Statistics Canada said that 1.1 million workers lost their jobs in March, causing the monthly national unemployment rate to leap from 5.6 to 7.8 percent. As unprecedented as these figures are, they provide only a partial indication of the social and economic crisis triggered by the pandemic.

The true number of job losses is vastly higher, as indicated in the tsunami of CERB applications. The data for the Statscan report was compiled during the week of March 15 to 21, which was the very week when government-ordered closures and other social distancing measures became widespread. Layoffs and the sudden collapse of work for many self-employed and gig economy workers during the final weeks of March will only be reflected in May's labour market report. Even so, the 1.1 million job losses in March were more than double the figure most economists had projected, and about eight times higher than the 125,000 workers who lost their jobs in January 2009 at the height of the global financial crisis.

The Statscan report also noted that 1.3 million Canadians worked no hours in March, but still considered themselves to be employed. Another 800,000 worked half as many hours as usual.

Job cuts have come from all economic sectors. Air Canada, the country's largest carrier, announced the elimination of 16,500 jobs last week. Mountain Equipment Co-op shuttered its 22 stores nationwide and cut 1,300 full-time and part-time positions, while Cineplex closed 165 movie theatres and laid off over 10,000 part-time staff in Canada and the United States. The Calgary Stampede, which bills itself as the largest outdoor show on earth, cut 900 staff, and Cirque du Soleil axed over 4,600 employees. Layoffs have also swept through the auto industry, with the Detroit Three and Toyota shuttering production, impacting over 30,000 workers. Manufacturing giant Bombardier has cut over 12,000 jobs.

The right-wing populist government in Alberta also seized on the pandemic as an opportunity to lay off over 25,000 education workers, including teaching assistants, cleaners, and bus drivers. Quebec City let go over 2,000 workers, while the City of Calgary cut 1,200 part-time and casual staff, and the City of Vancouver laid off 1,500 workers.

The list goes on and on.

As millions of workers across the country have been thrown out of their jobs, the Trudeau government's principal focus has been transferring of hundreds of billions of dollars into the hands of the banks and big business, so as to protest the wealth and investments of Canada's bloated financial elite. The government, the Bank of Canada, the Canadian Mortgage Housing Corporation (CMHC) and other state agencies have funnelled more $650 billion into the banks and big business literally overnight.

Buoyed by the gargantuan infusion of state cash, the ruling elite has celebrated by driving up share prices on the Toronto Stock Exchange. Thus, even as the job and income losses for working people have swelled into an avalanche, the TSE has rallied, making up much of the ground it lost in early March.

While queuing up for major infusions of public money, companies are laying off their employees in droves to avoid paying social insurance, other payroll taxes, and benefits. Even the pledge by the government to cover 75 percent of workers' wages for three months if companies agree not to

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lay them off has failed to prevent an unprecedented jobs massacre.

In contrast to the vast sums being made available to the banks and big business, workers, many of whom have little to no savings, have had to wait until this week to apply for the CERB. It will pay those who have lost their job or cannot work because they are sick or looking after someone who is sick a monthly stipend of $2000, or less than the average monthly rent on a 1-bedroom apartment in Toronto, for four months at most.

Hundreds of thousands of workers will not even receive this inadequate support. Self-employed workers who have not lost all of their income, workers who did not earn a minimum of $5,000 last year, those who were unemployed prior to the crisis, and students seeking summer jobs are currently ineligible for CERB benefits. A report from the Canadian Centre for Policy Alternatives, based on the assumption that 2.6 million Canadians would require financial aid, calculated that around 860,000 or one third would not receive anything from the CERB..

The government's unlimited bailout for the banks and corporations while workers are placed on rations or worse is having devastating social and health care consequences.

According to a survey by credit union TransUnion, two thirds of Canadians have either experienced a loss of income due to the coronavirus or expect to do so. The figure was even higher among those born after 1980, with 72 percent saying they have been impacted. Seventy percent of those affected, including 78 percent of millennials, said they were worried about being able to pay their bills. More than half of those expressing concern said they would not be able to pay bills or loans within four weeks.

On March 18, Food Banks Canada issued an appeal for $150 million in donations to cope with the demand for its services nationwide.

In Toronto, Canada's largest city, authorities have transformed nine public library locations into food banks to serve thousands of people who can no longer afford to purchase food. Almost 40 percent of privately-operated and charity food bank services have closed down since the onset of the crisis. As a result, further food bank outlets will be established in community centres and community housing buildings.

Food banks in Mississauga and Brampton report that they are struggling to keep up with increased demand. Bob Tremblay, president of Knights Table Brampton, said that his food bank has seen an increase in customers of between 16 and 18 percent. "This is unprecedented in the food bank's history," commented Megan Nichols, manager of a Mississauga food bank. "This is more drastic than the 2008-09 recession."

In addition to providing a pittance for workers, a mere $3 billion is being spent to bolster the overstretched health system. This follows on from decades of vicious austerity measures that have seen social services and health care cut to the bone by all levels of government.

The fact that these policies and the politicians who implemented them are responsible for thousands of deaths was underscored by yesterday's announcement by federal health officials that they project between 11,000 and 22,000 Canadians will die from COVID-19 in a best-case scenario. If the country's dilapidated hospitals are overwhelmed, or if social distancing measures are relaxed, the death toll could rise into the hundreds of thousands.

The disastrous social and health crisis triggered by the pandemic underscores the urgency of the working class advancing its own independent solution, one that prioritizes life and human needs over capitalist profit.

Workers must fight for decisive measures to combat the pandemic, including: the shutting down of all non-essential workplaces; systematic universal testing; and the pouring of tens of billions of dollars into the health care system to acquire ventilators and other vital equipment and hire and train new medical personnel. They must also ensure that medical staff and other essential workers receive the necessary protective equipment to perform their work safely. Every worker who has been thrown out of work must receive full compensation for their wages from the state and big business until the pandemic is contained and overcome.

These immediate demands must be tied to a fight for a socialist program. The NDP and trade unions, which for decades have systematically sabotaged opposition to capitalist austerity and the big business assault on workers' social rights, have responded to the crisis by strengthening their alliance with the Trudeau Liberal government. The Canadian Labour Congress even helped draft the regulations for the CERB. In opposition to these nationalist, pro-capitalist organizations, working people must adopt a socialist and internationalist perspective to guide the struggle for a workers' government that will place social needs and human life before private profit.

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